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## Family as a Customer Experiencing Co-Created Service Value

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## Family as a customer experiencing co-created service value

**Key words:** value co-creation, experienced service value, visible and invisible interactions, value dimensions, entities of service value co-creation, customer unit, family, ethnography.

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**To Henriikka, Emilia and Karoliina**



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Espoo, 16<sup>th</sup> April 2013

Johanna Arantola-Hattab

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## 1 INTRODUCTION

This doctoral thesis, which investigates the family as a customer experiencing co-created service value, originates in my being a working mother for more than a decade. As people say, “Small children, small worries – big children, big worries.” After becoming a parent, one soon starts to see the world through different lenses. Value is no longer experienced only individually but also collectively, within a family. Furthermore, what are intriguing from the service marketing research perspective regarding experienced value of a family are different family members’ everyday interactions. This thesis focuses on how family – consisting of parent(s) and children – experiences co-created service value based on co-creation in interactions. The family in this thesis is discussed as a customer unit including several actors. This thesis explores a family’s value co-creation through a mother’s interpretation.

The key motivation for this study is the vigorous debate on value co-creation in the service marketing field: The concept has arguably evolved to a buzzword without clear meaning. For this thesis, the most relevant discussions are within the three various perspectives on service, namely *service-dominant logic* (SDL); *service logic* (SL), defined by the Nordic School of Marketing; and the most recent logic within the Nordic School tradition, *customer-dominant logic* (CDL). More specifically, the literature review of this thesis explores how these logics have described value co-creation in interactions.

Following SDL, service systems – configurations of resources including people, information, and technology – interact through mutual service-exchange relationships and co-create value (Vargo and Lusch, 2004, Ballantyne and Varey, 2008). The focus of SDL has mostly been on service systems in a business-to-business (b-to-b) context.

The interaction concept plays a key role in service marketing in the Nordic School research tradition (Grönroos, 1982, Gummesson, 1991). According to Grönroos (2009), the processes of the customer and the firm run parallel and are integrated into a joint value co-creation process in which the firm can directly engage with its customers’ value fulfilment. Firms can become co-creators of value in the process, but only if interaction exists.

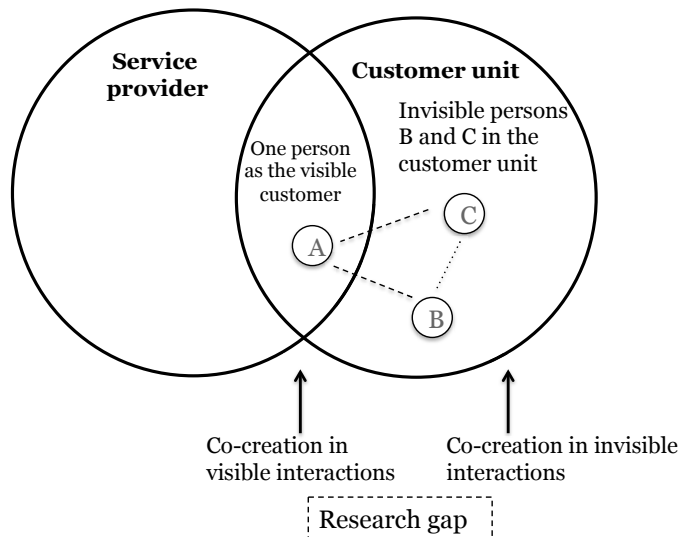
Recently, CDL (Heinonen *et al.*, 2010) has stressed the focus is on understanding the customer’s life, not the service interaction process as proposed in both service logics above. CDL argues co-creation is not always a straightforward activity the company controls in the interaction, because the service experience is a long-term, context-bound process. Understanding the customer’s different roles in everyday life gives the firm an opportunity to offer customers choices that help them fulfil their daily tasks (Heinonen *et al.*, 2010). This thesis follows the importance of shifting emphasis more strongly to the customer’s sphere. Hence, this study has a customer-grounded view, and value co-creation is analysed from a customer unit perspective.

The customer in business-to-consumer (b-to-c) service research has remained an undefined unit, though service research has recently eagerly discussed value as a subjective experience in the customer’s sphere (Vargo and Lusch, 2008, Helkkula, 2010, Grönroos and Ravald, 2011) and value co-creation as a continuous learning process in interactions between the customer and the firm (Grönroos, 2008, Voima, Heinonen, and Strandvik, 2010). The focus in the b-to-c context regarding co-creation has mainly been on the dyad of provider and customer, the latter representing in

singular the one who interacts. The network perspective between actors has not been of interest as in b-to-b contexts, for example, within the research of IMP, Industrial Marketing and Purchasing (Ford, 2012).

This thesis recognises this gap and argues a deeper investigation on co-creation between actors in interactions is needed to clarify the value co-creation concept. The study argues there is a need to widen the investigation of co-creation beyond the visible interactions between the provider and its often undefined “customer” to cover invisible interactions, including several actors forming a customer unit (Figure 1). This thesis uses the term *multiple dyads* to describe the customer’s system, including several actors in a family context; thus, this study follows the recommendations of Epp and Price (2008) and Anderson and Sabatelli (1992), who recognise the need to expand research beyond single dyads within a family to assess multiple dyads as one, analysable unit.

This study contributes to the current theoretical discussion on service value co-creation. In this thesis, I apply CDL to the conceptual development of investigating a customer’s experienced service value as a consequence of co-creation. Through empirical examination, this thesis presents a categorisation model for different entities<sup>1</sup> of co-created service value within a family. I have chosen the term *entity* to describe how reality is presented in experience.



**Figure 1** A twofold investigation including both visible and invisible co-creation of a customer unit is lacking.

<sup>1</sup> "entity = separate existence"; "existence = reality as presented in experience."

Merriam-Webster.com.2013. <http://www.merriam-webster.com>

(8 April 2013)



## 1.1. Setting the scene

### 1.1.1. *My interest in a family's experienced service value*

My enthusiasm for this study was inspired by interpretivism as a philosophical position concerned with subjective, shared meanings. My research process has been a journey to a better understanding of working mothers' everyday life, influenced by ethnography. As Eriksson and Kovalainen (2008) state, ethnographers must learn how to interact with people in the field. Throughout this three-year research process, I participated in many activities working mothers completed with their families. During this time, my understanding of this group's everyday life increased.

A family's experienced service value has not been a previous focus. Only recently, Voima *et al.* (2011) have raised the importance of exploring a family as a system experiencing value. I investigate a family's experienced service value through a mother's interpretation. In some cases where the interviewed mothers were divorced, they focused more on themselves and their children, though the ex-husband was sometimes mentioned. Thus, the term "family" limits the discussed unit to the respondent's everyday life; therefore, grandparents, for example, are not involved in the study. It is important that the respondents' answers formed this study's bounds.

This study illustrates how the focus on discovering interactions where value is co-created should be shifted beyond the provider and an individual, in my thesis the mother, to cover also interactions between family members in a specific service context. This study focuses on banking service. My interest in banking service originates from a Tekes<sup>2</sup> project in which I participated as a project researcher during my early doctoral studies. The project focused on a customer's experienced value, and one of the companies engaged in the project was a retail bank. During the Tekes project, I noticed the family as a system experiences value based on family members' different needs. Thus, the focus should shift to understanding a family, not one person being the bank's visible contact. Furthermore, it soon became evident service providers still focus strongly on their offers, not understanding their customers' everyday lives with their different challenges and needs.

### 1.1.2. *Exploring a family's value co-creation through the mother's interpretation*

In service marketing, there has been a shift from value-in-exchange to value-in-use. The focus has evolved from transactions to interactive processes between the provider and the customer (Grönroos, 1994, 2008, Vargo and Lusch, 2004, Ballantyne and Varey, 2008). According to Hunt (2002, p. 134), "Marketing science is the behavioural science that seeks to explain exchange relationships." Marketing is important to behavioural science in explaining relationships in interactions. As Heinonen *et al.* (2010) states, by understanding the customer's different roles in everyday life, the provider gets the opportunity to offer the customer choices. In my work, I argue that, with the help of empirical, qualitative research, it is possible to examine how different entities of value co-creation lead to a family's experienced service value.

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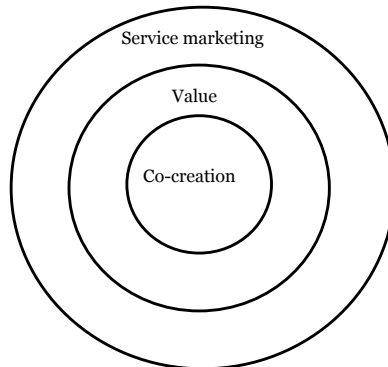
<sup>2</sup> Tekes – the Finnish Funding Agency for Technology and Innovation

By using the ethnographic method, including interviews with and observations about the target group of working mothers, it is possible to increase understanding of value co-creation. This study illustrates how a service provider can better know a family's everyday needs through an increased understanding of working mothers, who frequently have responsibility for the family in their often hectic lives. Thus, this thesis widens the scope of a single person being a customer and presents the idea of a customer unit including also a family's invisible persons.

The importance of language plays a role in this thesis. As stated by Normann (2001), without language, it is hard to conceive of new knowledge and a differently enacted reality, because language is a necessary companion of new knowledge and innovation. For this reason, new language is a potentially strong tool to induce people to see the world differently (Normann, 2001). Normann's regarding language as knowledge encouraged my research. I realised my research should not focus on different words or definitions, but on understanding working mothers' daily lives. Furthermore, Normann (2001) argues we can reconstruct theories by learning from ones used in the past and regard them as accumulated, on-going knowledge and mind-shaping processes. In my literature review, I examine co-creation within three different logics, namely SDL, SL, and CDL. I realised the slightly different views continuously advance the co-creation discussion, which is the aim of science. During my research, I became convinced applied theory's aim is to develop science. I recognised CDL's importance to my study's conceptual development, and I wanted my research to advance it. As stated by Heinonen *et al.* (2010), CDL underscores the importance of a service provider's better understanding and becoming embedded in customers' lives. In my thesis, this perspective plays an important role when creating an understanding of a family's daily challenges through the mother's perspective. The literature review in Chapter 2 will discuss in more detail the viewpoints of the three logics on value creation and value co-creation.

## 1.2. Positioning and scope of this study

This thesis is based on the interpretative approach and draws from service marketing research focusing on value and value co-creation. The following Figure 2 illustrates this thesis's positioning within service marketing. The three different concepts will be discussed briefly in this section to describe this study's positioning and scope within marketing research. The three concepts will be discussed more in detail later in the thesis.



**Figure 2** Positioning of the thesis within service marketing

### 1.2.1. Service marketing

The publication of the article “Evolving to a New Dominant Logic for Marketing” by Vargo and Lusch (2004) in the *Journal of Marketing* has generated active debate among scholars regarding the role of service-centred dominant logic in marketing. In contradiction to goods-dominant logic focusing on manufactured things as tangible goods exchanged in interactions, SDL represents a reoriented philosophy applicable to all marketing offerings, including tangibles and intangibles (Vargo and Lusch, 2004). The service-centred view of marketing reflects societal changes with a shift toward interactivity and demonstrates the importance of know-how and skills in customer-provider relationship.

It is worth noting the difference between *service marketing* and *services marketing*; US mainstream marketing has emphasised the latter and developed it into a discipline. For example, Lovelock (1988) defines services marketing as marketing having focus on services and performances produced in real time and often in the presence of the customer, in contrast to manufactured goods, which are physical objects. According to him, in many service industries, customers are actively involved in helping create the service product – for example, using ATMs or self-service cafeterias. Similarly, Bruhn and Georgi (2006) talk about services marketing and services firms, and Fisk, Grove, and John (2000) discuss interactive services marketing.

At the end of the 1970s, Grönroos and Gummesson initiated service marketing introduced in 1982 as the Nordic School of Marketing (Grönroos, 2007). The Nordic School’s service marketing literature defined service in 1990 as “an activity or series of activities of a more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems” (Grönroos, 1990, p. 27). Thus, service was discussed as a process that occurs in interactions to provide solutions to customers.

According to Vargo and Lusch (2004), thought leaders in marketing move from static transactions toward dynamic exchange relationships. The move from goods-dominant logic towards SDL – whether a question of service or services – can also be interpreted with definitions from the American Marketing Association (AMA) reformulated every fourth year. While writing this thesis, the latest was given in 2008. It follows:

“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2008).

According to the AMA, the change from the 2004 definition is that marketing is no longer a function but an educational process. For the first time, it recognises the role of non-marketers. At least equally interesting in the newest definition is defining marketing as *an activity delivering and exchanging offerings that have value for customers*, whereas the previous definition still defined marketing as a function *delivering value to customers*:

“Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (AMA, 2004).

Like marketing being an activity delivering and exchanging offerings with value for customers, service marketing research argues value is not something that can be delivered to the customer. Rather, in a customer-grounded view, value-in-use is

something that emerges for the customer as a function of the customer's experiences and actions (Heinonen *et al.*, 2010, Voima *et al.*, 2011, Strandvik *et al.*, 2012, Grönroos and Voima, 2012). Thus, the importance lies in the process of initiating value formation for the customer who can decide whether to use the proposed opportunity. Next, value in service marketing will be discussed briefly.

### **1.2.2. Value in service marketing**

This thesis contributes to the ongoing debate on value within service marketing. To elaborate on the co-creation of value, a short overview on value is essential. In service marketing research, there has been a shift from value-in-exchange to value-in-use. In service marketing, the concept of value-in-use describes value creation in the customer's value-generating processes when customers consume services.

This thesis uses the expression *experienced service value* of a customer, as it is more suitable when analysing experienced value from the customer perspective. This thesis applies CDL, according to which value is experienced in the customer's own sphere, not created for the customer (Voima, Heinonen, and Strandvik, 2010). In this thesis, value is not considered something delivered to the customer, but emphasis is specifically the customer's experienced value resulting from co-creation. The expression *experienced service value* describes value the customer experiences in everyday life regarding a specific service. It is important to note that, in this thesis, experienced service value relates to banking service, that is, how customers as individuals integrate banking service into their own activity systems to fulfil everyday tasks.

Service marketing has shifted toward value-in-use exploring value the customer experiences when using a product or a service (Vargo and Lusch, 2008, Grönroos, 2008), but CDL (Heinonen *et al.*, 2010) has argued existing logics are yet too provider driven. In service marketing, there has been a shift from push to pull – meaning pull from the customers' side instead of push from the service provider. Buyer-seller relationships have been investigated in industrial markets (Ford, 2001, Holmlund, 2004, Viio, 2011) whereas in consumer marketing, it can be questioned whether the analysis is stronger on the reaction of a buyer (customer) to a seller's (provider's) offering. Furthermore, it can be argued that, despite the focus on relationships, the provider often starts from its offerings by advising a consumer to “contact us” to fulfil the consumer's needs.

Vargo and Lusch (2004) described a move from tangible goods with embedded value and a focus on transaction activities toward dynamic relationships involving processes in which value is co-created with the customer. This thesis argues a change toward a deeper understanding of a customer's logic will demand an even stronger focus on understanding the customer's everyday needs and value formation. The empirical part of this study explains the importance of understanding how customers experience service value through different entities of value co-creation. The explanation should not be – and will not be – that a service provider should offer a wide variety of services to the customers to choose from, but instead, the focus should be on understanding what a customer might need in a specific life situation. If the provider's offer is too complicated or unclear, the customer will not experience positive value from co-creation between the parties.

### 1.2.3. Value co-creation

This thesis's literature review reveals the imprecise way to define value co-creation. The term "co-creation" was recognised as describing a provider-customer interaction in several different ways, for example, *user involvement as a form of co-creation* (Kristensson, Matthing, and Johansson (2008), *co-creative engagements* (Ramaswamy, 2010), or *interactions and co-creation of value* (Prahalad, Ramaswamy, 2004, Grönroos and Voima, 2012) – to mention a few. Furthermore, the term "co-creation" is sometimes used without a definition; co-creation leading to what?

In this thesis co-creation is investigated as "a process in visible or invisible interactions leading to experienced service value of the customer." This definition is based on analytic findings that will be discussed more in detail in Chapter 5.

It is important to note "invisible interactions" refer to interactions within a customer unit often invisible to a provider: in this study, a family. Because this thesis recognises the co-creation process can lead to positive or negative value, the term "entity" is appropriate, not "benefit," because it includes the positive connotation of gained advantage.

This study recognises the need to investigate co-creation beyond "performing" or "doing," as co-creation activities are defined by McColl-Kennedy *et al.*, (2012). This thesis discusses co-creation as a more comprehensible concept and investigates different entities of co-creation leading to the customer's experienced value. The focus is on interactions I illustrate more specifically next.

In this thesis, I focus on value co-creation in multiple interactions. This thesis argues it is not enough to explore co-creation between a provider and customer (singular). Indeed, it is essential to add the customer's invisible life to the investigation and examine co-creation in interactions between different actors (plural) in a customer's life, which often remains unexplored and unknown for the provider. This thesis argues that there needs to be a shift from a dyadic relationship between the provider and customer into discovering the multiple dyads in the customer's life. Thus, the focus is now twofold, focusing simultaneously on individually and collectively experienced service value, which has been lacking in b-to-c marketing. The term "customer" changes to "customer unit," including several actors.

### 1.3. Purpose of this thesis

This thesis widens the scope of investigating co-creation by shifting the focus from dyadic provider-customer interactions to cover also interactions among multiple dyads within a customer unit. This is achieved by investigating co-creation in a customer unit's visible and invisible interactions, which this thesis defines as a family. This thesis defines a family's experienced service value as a consequence of different entities of co-creation identifiable in interactions. Therefore, this study's purpose is as follows:

*The purpose of this thesis is to explore how family as a customer experiences co-created service value.*

In formulating this thesis's framework, this theoretical conceptualisation builds on earlier research. This study adapts a CDL perspective to enhance understanding of how customers experience service value and how a service provider could use this insight when planning service forms. More specifically, this thesis contributes to the current

theoretical discussion on service value co-creation. This study applies the CDL perspective in the conceptual development of the theoretical framework. In its conceptual development, this study adapts the service-quality model by Grönroos (1982) and the model for customer-perceived value by Heinonen (2004). Based on this thesis's empirical findings, I categorise co-creation entities within a family. The presented categorisation model results from continuous movement between empirical results and conceptual development, thus following the abductive approach (Dubois and Gadde, 2002).

This study follows abductive reasoning allowing unexpected observations calling for explanation during the research process through interpreting a phenomenon (Kovács and Spens, 2005). Thus, the aim is not to test an existing theory through different hypotheses as in deductive reasoning or to move from specific observations to broader generalisations and theories, characteristics of inductive reasoning.

I conduct a literature review to develop a foundation for this study. Within service marketing research, many scholars have discussed value creation and value co-creation. Although these two concepts are inevitably intertwined, their linkage is often blurry, as this study's literature review shows. Value has been discussed as created, formed, experienced, or embedded in the customer's sphere, and co-creation of value occurs between the provider and a customer. This thesis argues there is a need for investigating a stronger link between these two concepts: Co-creation must be investigated as more than a list of "doings" leading to open-ended benefits. To deepen the conceptualization based on the literature review, empirical insights build the categorisation model illustrating different entities of co-creation in a family.

This thesis's research method takes inspiration from ethnography, a method that gains knowledge regarding how a specific group of people interacts with the environment. The aim is to combine knowledge about how everyday experiences and activities form bases for the possibilities of value co-creation for a specific service. This thesis investigates a family; as defined earlier, the empirical study consists of interviews of working mothers who interpret their daily lives, responsibilities, and activities. Based on this background, they discuss their experiences and opinions about their banking service. This empirical study illustrates how mothers discuss their individual and family needs with a bank. Thus, the study widens the scope of a customer being a single person (mother) to cover also other family members and presents the term "customer unit."

#### **1.4. Limitations**

This thesis is limited to consumer marketing (b-to-c) and thus does not discuss the implications of value co-creation on industrial marketing (b-to-b). Although Voima *et al.* (2011) have recently recognised the importance of investigating the customer's ecosystem, consisting of several actors that influence the customer's service experiences, the focus of this study is limited on the family as a system. This study does not cover the customer's larger ecosystem consisting of relatives and friends, for example. Following the interpretative approach of this thesis, the focus is on the interviews of working mothers and their subjective, shared meanings. Thus, it is important to notice the purpose of this thesis is to explore how family as customer experiences co-created service value through the interpretation of the mother, not on the experienced value of the service provider. The focus of this study is on banking service and exploring different entities of co-creation within this specific service context through the interpretations of the mothers.

This study discusses the three service marketing logics, namely SDL, SL, and CDL, and emphasises mostly CDL in the conceptual development of investigating a customer's experienced service value. I also examine different entities of co-creation in visible and invisible interactions, and I argue value is not experienced only in interactions at a specific moment, but also in the continuously restructured reality of the respondents, covering experiences in the past and in the future. The aim is not on investigating value in practises, but on understanding through language how value is socially constructed in the everyday life of the respondents.

Due to the ethnographical approach, observations including the everyday setting of the group are part of the research process enriching the study by an *emic* perspective, the insider's view, living as part of the group. Furthermore, the aim is to focus on what was said in the empirical data and capture tone of voice through language, thus shedding light on the reasons behind the answers.

### **1.5. Research process**

In this section, I will discuss in more personal terms the different phases of my research process illustrated in Figure 3. As the philosophical position of this thesis lies in interpretivism with its background in hermeneutics, the process was rather non-linear. This thesis applies ethnography in understanding how a specific group, working mothers, creates meaning in everyday life. My research followed abductive reasoning, which allowed me through interpretation to recontextualise phenomena in a contextual framework (Kovács and Spens, 2005). In my research, I used the ethnographic methods of interview and observation. Following Hammersley and Atkinson (1983), I followed the lives of working mothers, asked questions, listened and observed to gain a better understanding of my research problem. Following Eriksson and Kovalainen (2008), I knew there are several ways to conduct and report an ethnographic study. One can start from the field site and ask guiding questions or start with a theoretically derived research question and find a site where it is appropriate. Eriksson and Kovalainen state that an interesting report provides sufficient description to allow understanding of the analysis and its interpretation. Clarification early in the report regarding the selected problem is important, too.

To make the different phases more reader-friendly and to improve clarity, I have written the report of this study in a linear structure. It begins with a theoretical section, followed by the empirical analysis. Following the analysis, there is a deepening of the theoretical framework, and finally, presentation of key findings and conclusions.

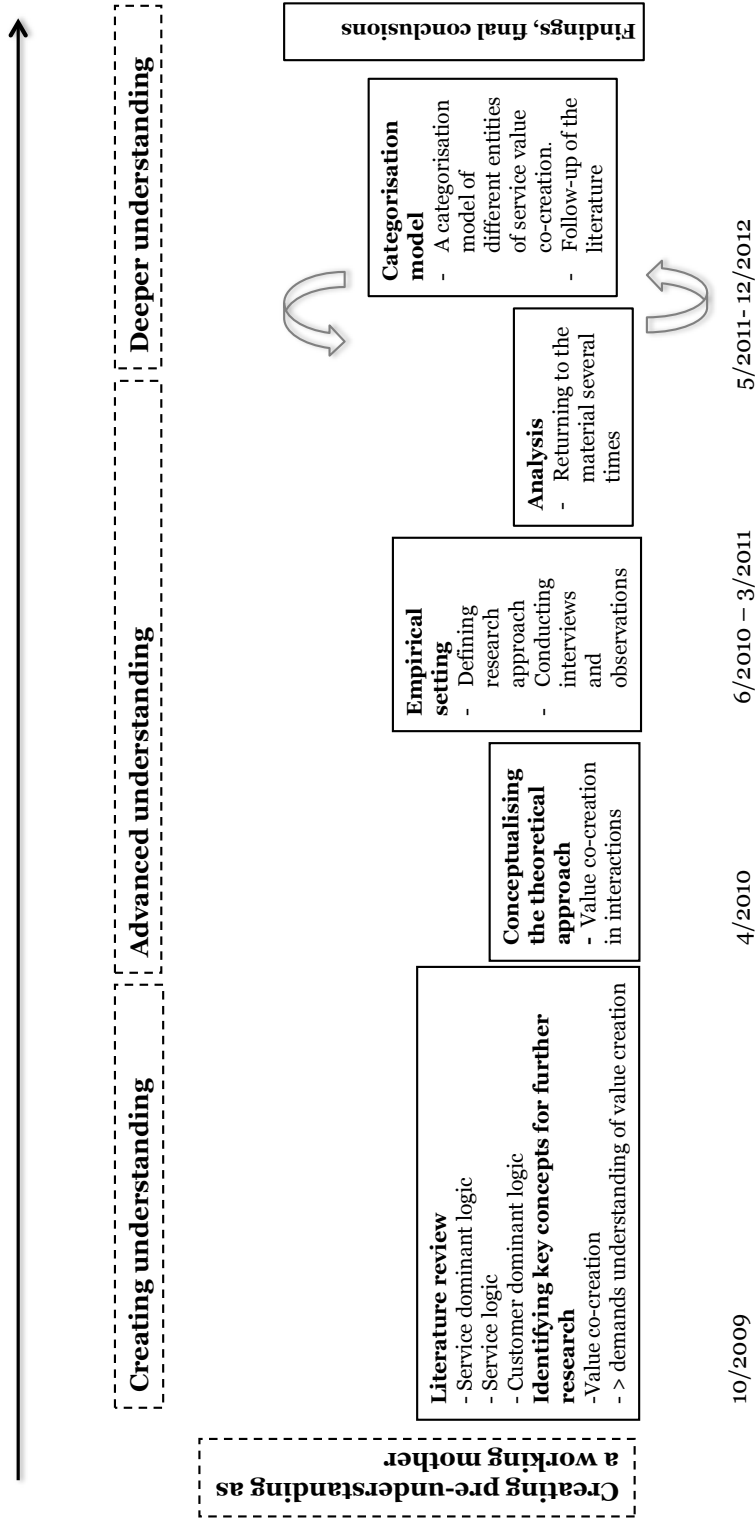


Figure 3 Research process



### *Creating pre-understanding*

Before starting my research project, I had worked more than a decade as a mother. This background formed my pre-understanding of a mother's hectic daily life with its several responsibilities, not only concerning oneself but also the family, especially the children. This partly unconscious pre-understanding broadened throughout the empirical and theoretical setting and enabled me to gain a deeper understanding of the research purpose through ethnography, or living as part of the target group.

### *Creating understanding*

By the time I started to write my thesis, I thought I was looking at something unique when focusing on value co-creation in service marketing. But when proceeding with my work, I learned that, in fact, at the marketing department where I worked, there were only a few co-workers who were not somehow involved with value creation or value co-creation. Inevitably, the question rose: Why all this interest in value creation and value co-creation? Is it about defending one's position in the debate, or is about creating new knowledge?

Richard Normann (2001) states that every organisation, individual, or small group has its particular language that is both structured by its members as it structures their reality. According to him, every organisation has a certain level of discourse and a number of specific concepts that are used more often compared with other organisations.

In my case, my marketing department had strong interest in value creation and value co-creation. Was it good or bad? Would it be hard to create new knowledge in an area with so many academics focusing on the same issue at the same time? Would it be possible to produce objective knowledge in an environment that shared, more or less, a particular view regarding value creation? These were the questions I asked myself in the early phase of my studies.

But when creating understanding for my scientific project, I found in Normann's thinking several convincing arguments regarding how to proceed. I was encouraged by his definition on language being a tool to understand the world differently. Thus, by using the interpretative approach, through words, I could create new knowledge in an area that was one of the hot topics within service marketing research at the beginning of my project in 2009.

When creating understanding of the chosen key concept, value co-creation, I soon realised that, to understand value co-creation, I needed to include the concept of value creation in my studies. When examining further, I recognised I could focus on CDL by comparing it with existing knowledge of SDL and SL. This was in line with Normann (2001), who argues we can reconstruct theories by learning from ones that have been used in the past and regard them as accumulated knowledge progress and a mind-shaping process.

### *Conceptualising the theoretical approach*

My research interest toward a deeper understanding of different entities of value co-creation was established during the literature review for my thesis. It occurred to me that the concept of co-creation has become a buzzword used in various ways, both in academia and marketing, in the loose context of "doing something together." I noticed how, in academic literature, value co-creation was often discussed as actions without a

clear definition of the process leading to experienced service value of the customer. In marketing practise, the buzzword has been used loosely – for example, during my research process, I noticed how a shampoo bottle was marketed by having the term “Co-creations” on it. Consequently, I realised the need to make a coherent link between co-creation in interactions and experienced value. Furthermore, a conceptual model for exploring different entities of co-creation through distinct value dimensions would enable a deeper investigation of the co-creation concept.

### *Empirical setting*

The opportunity to join the Tekes project focusing on value in my early studies in September 2009 woke my interest in working mothers as customers of a bank. Interestingly, during the early phase of my research process, I received questions like “Why banking? Everything is solved there by e-services already” or “Isn’t it obvious that the husbands always take care of the monetary issues of a family?” I thought these arguments illustrated how we often consider issues in our own daily contexts. These arguments triggered my research. I was interested in comprehending how working mothers experience banking service as part of busy, daily life, and I wanted to enlarge the existing understanding by focusing on interactions that are visible. Living as part of this group inspired me. Simultaneously, I was aware of my responsibility as a scholar being open to new, unexpected issues during my research – I was excited to go further.

The following quote is written on a wall in the Epcot theme park in the Walt Disney World Resort. It encouraged me to move on with the empirical part of my study:

Stop talking, and begin doing.

- Walt Disney

In my early research, when formulating my purpose, I learned I needed to focus more on open-ended questions that would enable the respondents to interpret their feelings. The final questionnaire (Appendix 1) was used as a checklist, giving respondents the possibility to talk freely about the issues they found important under each main topic. The aim was to collect primary data by interviewing and observing to generate first-hand interpretations of the respondents. After conducting several interviews and discussing first impressions, I received comments like “That is an interesting subject; if you need more respondents, you can contact me,” and “That is so to the point.” I started to realise I was studying something that was interesting for others as well, and I was eager to learn more.

### *Deepening the conceptual model through analysis*

Following hermeneutics, the empirical analysis and the deepening of the conceptual model progressed simultaneously and partly overlapped. My understanding, again, widened through new phases and findings.

I analysed the empirical data by returning to it several times during the process. It was important to find a way of grouping the data. Following Eriksson and Kovalainen (2008), in interpretivism, the aim is to find subjective, shared meanings. During the analysis, I learned respondents used both “me” and “us” when describing their everyday lives and banking services. Although the respondents expressed feelings strongly, when discussing their families and especially children, “me” and “us” were strongly intertwined. This indicated a need to widen the investigation of co-creation

beyond visible interactions to cover also invisible interactions between family members.

I paid attention to the way mothers expressed their feelings about their daily lives – there was no sign of a need to describe themselves as heroes who can solve several issues simultaneously. Rather, they expressed a need targeted to service providers: Make my/our days easier by offering the right kind of solutions. This enabled me to work on the analysis by focusing on how family as customer experiences co-created service value. Moreover, the analysis enabled me to build a categorisation model illustrating different entities of co-creation.

### *Findings and final conclusions*

Presenting the key findings are challenging, because it demands one summarises what has been said several times and might seem repetitive. Although I had followed the academic discussion within my subject area throughout my whole research process, at this stage, I paid special attention to the latest findings and included the most recent knowledge in my work. This stage was the most demanding from a researcher's perspective, as it was important to follow the latest discussions and apply my findings to the discussion, making my findings relevant to current interest in the area. In my case, I felt I had moved in the hermeneutic circle closer to the core through on-going analysis and combination of theory. In fact, the newest findings within my research area challenged me to clarify my research purpose and my study's key findings. At this stage, I also finalised the topic for my thesis:

*Family as a customer experiencing co-created service value.*

It was a challenge to formulate a short headline that would be both descriptive and include the most important new contribution to the research area. I hope I have succeeded.

## **1.6. Key theoretical concepts of this study**

This thesis draws upon SDL, SL and CDL logics. First, I will indicate which parts of these perspectives are specifically examined in this study.

According to SDL and SL, the customer determines value during use of goods or services (value-in-use) in a specific context. Hence, both logics share the service-centred view of customer orientation. However, the logics have different views regarding who is the co-creator of value in a customer-firm interaction. According to SDL, the customer is always a co-creator of value, actively taking part and engaging in the co-creation process (Vargo and Lusch, 2004, 2008). SL presents a contrasting view, defining the customer as the value-creator and, thus, not always a co-creator (Grönroos, 2007). The firm can get a role as a co-creator when engaging itself in the customer's process and gaining a larger role than being sole facilitator. CDL argues that the focus should not be on who is the co-creator, as value also can also be formed in a passive process and also is based on experiences in the customer's life before and after an interaction (Heinonen *et al.*, 2010). This research study is interested in the co-creation process that leads to experienced service value. More specifically, this study examines how a family, as customer, experiences co-created service value in interactions. So far, service research in b-to-c marketing mainly has discussed visible customer-provider interaction, whereas this study widens the scope beyond the visibility line into the customer's world.

Before presenting a summary of this study's key concepts in Table 2, I briefly discuss the study's main concepts: service, experienced service value, interaction and co-creation.

*Service*, in the marketing literature, emphasises the shift from goods-dominating logic to service-dominating logic, drawing attention to skills and knowledge that must be developed and coordinated to provide benefits which customers desire (Vargo and Lusch, 2004). Hence, the service-centred view is customer oriented. In their study, Edvardsson, Gustafsson and Roos (2005) found that scholars stressed benefit or value to the customer when asked to define service. Based on their findings, the authors suggest that service is a perspective on value creation with a focus on value co-creation through the lens of the customer. According to Grönroos (2011a), interactions are essential for joint value co-creation. In this study, service is used as a perspective on investigating experienced service value in interactions.

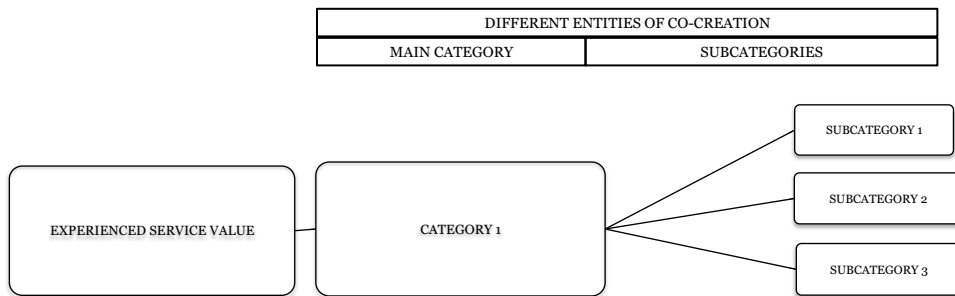
*Experienced service value* in this study is used to analyse value from the customer perspective. This study adapts CDL, focusing on the customer's own sphere and on understanding how customers experience value related to a specific service rather than on value being created or delivered to the customer. This study investigates a family's experienced service value related to banking service. It is notable that mothers are interpreters of the experienced service value for the family as a customer unit. Hence, the investigation of experienced service value is twofold, covering both the mother's individually experienced value and the family's collectively experienced service value as interpreted by the mother. The study investigates experienced service value that results from different entities in co-creation.

*Co-creation*, in this study, is not limited to the following definition: "During interactions, the supplier's and the customer's processes merge into one integrated process of joint value creation between the customer and the provider ... this co-creation of value can take place during interactions only" (Grönroos and Ravald, 2011, pp. 11, 15). Neither is it restricted to the definition used by SDL: "Co-creation of value inherently requires participation of more than one service-system, and it is through integration and application of resources made available through exchange that value is created" (Vargo, Maglio, and Akaka, 2008, p. 150). Grönroos and Voima (2012) discuss the need to distinguish between direct and indirect interactions. Based on the empirical findings of this thesis, discussed in Chapter 5, this study shifts investigation beyond joint value co-creation in visible interactions to co-creation in invisible interactions. This study also recognises the need to examine co-creation beyond being "a benefit realised from interaction of resources through activities and interactions with collaborators in the customer's service network" (McColl-Kennedy et al., 2012, p. 6). Thus, this study argues that investigation of co-creation should not be limited to being a list of "doings" or even "practises." In this study, co-creation is investigated not as a result or benefit, but as a process in visible or invisible interactions that leads to the customer's experienced service value. Based on analysis in Chapter 5, the process encompasses entities that can be grouped into main and subcategories for a closer investigation of co-creation (Table 1). This will be discussed in more detail in Chapter 5.

*Interaction* has been defined variously in the service research literature. SDL discusses firm-customer interaction in which the customer plays an active role as a participant in a process (Vargo and Lusch, 2004). SL argues that interactions are the fundamental construct of marketing, as interaction focuses on customers' value creation and enables the firm to co-create value with its customers (Grönroos, 2008). In CDL, the focus is on understanding the customer's life rather than the service interaction process (Heinonen

*et al.*, 2010). According to McColl-Kennedy et al. (2012), interactions are the ways individuals engage with others in their service network to integrate resources. In this study, the investigation of interactions is twofold: between the provider and the mother as a visible customer and between the family members, who often remain invisible to the service provider.

**Table 1 Co-creation investigated as a process**



The following Table 2 presents the definitions for this study's key concepts. Each of the concepts will be discussed in the study's theoretical conceptualisation in Chapters 3 and 5.

**Table 2 Definitions for this study's key concepts**

Concept	Definition
SDL	Service-dominant logic
SL	Service logic
CDL	Customer-dominant logic
Service	Perspective on value creation with a focus on the value co-creation through the lens of the customer.
Experienced service value	Experienced service value from the customer's perspective. In this thesis experienced service value is investigated as a consequence of different entities identified in a co-creation process.
Co-creation	A process focusing on joint value creation during the interactions between provider and customer. In this thesis co-creation is investigated as a process in visible and invisible interactions leading to experienced service value of the customer.
Service value co-creation	In this thesis "service value co-creation" equals to "(value) co-creation" partly used in the body text in order to avoid repetition.
Entities of co-creation	The co-creation process encompasses different entities that express experienced service value in visible and invisible interactions.
Main and subcategories of entities	Identified entities can be grouped into main and subcategories for a closer investigation of co-creation.
Interaction	Interactions between provider and customer are essential for the investigation of value co-creation.
Co-creation in visible interactions	Co-creation in a dyadic and for the provider visible interactions between the provider and the customer.
Co-creation in invisible interactions	Co-creation in interactions between multiple dyads within the customer unit. Remains invisible for the service provider.
Customer unit	The undefined "customer" changes into a "customer unit" including several actors, which this thesis defines as family.
Family	Family consisting of parent(s) and children.
Working mother	Mother having a job outside home: In this study the one who interprets the experienced service value of the family as a consequence of service value co-creation.
Individually experienced value	Experienced service value of one person, in this thesis the mother.
Collectively experienced value	Experienced service value of several persons of the customer unit, in this thesis the different family members.

Positively experienced service value	Customer expresses positive feelings, e.g. "I appreciate that there is a person who is familiar with my issues."
Negatively experienced service value	Customer gets annoyed or disappointed, e.g. "I had enough when she was pushing with the MasterCard when I was discussing about a house loan."
Neutrally experienced service value	Customer expresses neutral feelings, e.g. "I do not really concentrate on the letters I receive from the bank."
Value dimension	Dimensions that are used as platforms for exploring different entities of co-creation.
Technical dimension	Value dimension related to the offer of a service.
Functional dimension	Value dimension related to the process of a service.
Temporal dimension	Value dimension related to the timing of a service.
Spatial dimension	Value dimension related to the place of a service.
Personal dimension	Value dimension related to the person of a service provider.

## 1.7. Research approach

This section presents this thesis's research approach. The ontological, epistemological, and methodological assumptions are discussed based on the research's philosophical position in interpretivism with its background in hermeneutics and phenomenology. First, the philosophical position will be discussed, followed by the ontological and epistemological assumptions of this thesis.

As is the case with many other terms and concepts, social scientists use main philosophical concepts in somewhat different ways (Eriksson and Kovalainen, 2008). In my research, I use the term "philosophical position" to describe scientific philosophy, often called a "paradigm." It is worth noting these terms, "philosophical position" and "paradigm," define a scientific discipline during a particular period of time, as Kuhn (1962) first defined "paradigm." He was followed by Ritzer (1975), who discussed "paradigm" as the broadest unit of consensus within a science to differentiate one scientific community from another. But usage of "paradigm" within the research context has shifted from Kuhn's original remarks. It is often misused and can be defined as a "world view" or a "belief system" that guides researchers in their work (Guba and Lincoln, 1994). Therefore, I find myself agreeing with Eriksson and Kovalainen (2008) in using "philosophical position" in my work to cover the discussion of interpretivism with its background in hermeneutics and phenomenology.

### 1.7.1. Interpretivism

Interpretivism as philosophical position is concerned with subjective and shared meanings (Eriksson and Kovalainen, 2008). It is closely linked with constructivism, and they both share the goal of understanding the complex world of lived experience from the perspective of those who live it (Schwandt, 1994). In fact, according to Kovalainen and Eriksson (2008), social constructionism is the dominant form of

current interpretative research, and reality is seen as socially constructed by interconnected patterns of communication. The philosophical position of this thesis is to understand how individuals experience and interpret their everyday social settings. Thus, this thesis explores individually constructed reality through language and shared meanings, following Berger and Luckmann (1967), who state reality is socially constructed through the members of a culture's words, symbols, and behaviour. Further, as Hill and McGovan (1999) point out, in interpretative research, it is important for scholars to report their values and biases, besides the gathered information.

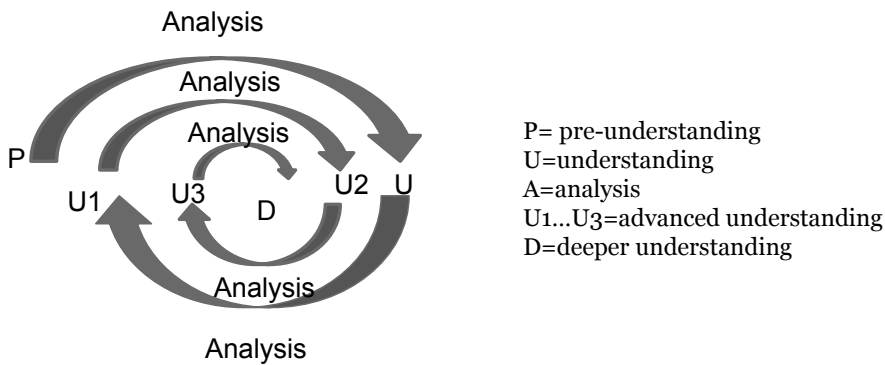
The interpretative approach for this study allows reflexivity in the close relationship between the researcher and the research field because research from this philosophical position does not predefine dependent and independent variables, but focuses on the full complexity of human sense-making in a situation (Eriksson and Kovalainen, 2008). Again, reflexivity enables us to develop interpretative skills to explore qualitative data during the research process.

### **1.7.2. *Hermeneutics***

The term “hermeneutics” originates from Friedrich Schleiermacher (1768-1834), and it refers to the necessary condition of interpretation and understanding (*verstehen*) as part of the research process. Since human intentions are crucially moulding and changing reality, understanding of human intentions and actions is needed. This understanding is crucial since it forms the foundation for all knowledge in social sciences. The hermeneutical circle can be defined as a methodological device that provides means for inquiry but is often used to describe the circularity of the whole research process that, in practice, is rarely linear (Eriksson and Kovalainen, 2008).

In the hermeneutic circle, the researcher interprets prior knowledge during the process, and the knowledge can be modified. Objects are not given but interpreted, and the hermeneutic circle is a way of conceptualising understanding in a process of interpretation in which the researcher actively participates (Eriksson and Kovalainen, 2008). Throughout my research, the hermeneutic circle is strongly present, partly due to the inspiration of the ethnographic method. The aim of my research is to learn from a specific phenomenon by listening and observing the everyday challenges of working mothers struggling with the issues included in my research question. My understanding of the research question increased during the process due to the on-going analysis of gathered information. Figure 4 illustrates the interpretation process in my thesis, described as the hermeneutic circle, and expressing the abductive logic in my work that will be discussed next. The hermeneutic circle of the thesis describes how the interpretation was conducted by on-going analysis throughout the work leading to a deeper understanding of the research question.





**Figure 4 Hermeneutic circle of the thesis**

There are two basic models in social science regarding how to advance knowledge about the world in research, induction, and deduction (Eriksson and Kovalainen, 2008). The inductive reasoning works by moving from specific observations to broader generalisations and theories. Within positivism, more specifically in empiricism, strong emphasis is put on observing and sensing the external world. In the 17th century, John Locke, who is widely regarded as the founder of modern empiricism, attempted to remove the connections between science and religion by considering where ideas originate and if people can rely on their senses. Central to empiricism was the view that human belief about the external world only becomes valid after surviving the test of experience. Empiricists assumed scientists could start from scratch and thus inductively generate universal laws (Johnson and Duberley, 2000).

Deductive reasoning, again, works the other way, by travelling from the more general to the more specific. The theory is narrowed into more specific hypotheses that can be tested by observations to confirm or disprove the original theory. Post-positivism and Karl Popper claimed in the 20th century that observations can never be certain, and therefore, generalisations are not absolute. He moved into the hypothesis-deduction paradigm and argued truth in science is only hypothetical (Johnson and Duberley, 2000).

Besides inductive and deductive reasoning, some researchers prefer to follow abduction logic since most social research involves both inductive and deductive reasoning processes at some point in the same project (Eriksson and Kovalainen, 2008). Moreover, according to Kovács and Spens (2005), the abductive approach differs from deductive and inductive research in its process. Deductive research scans theory and presents hypotheses and propositions to be tested in an empirical setting to present general conclusions. Inductive research follows the opposite path, where observations lead to a theoretical framework (Kovács and Spens, 2005). According to the authors, abductive reasoning allows possibilities for unexpected observations calling for explanation during the research process and works through interpretation and re-contextualising phenomena within a contextual framework.

My research process moves through questions and answers into generalisations, thus following the characteristics of the inductive approach. But the theoretical model and concepts are verified and partly redefined according to deductive approach throughout the process to create the basis for an understanding of the phenomena under investigation. The importance of trying to understand something in a new way plays an important role throughout my research process. Therefore, the research process

utilised in my work is best described as abductive. This is in line with the term “systematic combining,” described by Dubois and Gadde (2002) as an approach that advocates continuous movement between the empirical and model world. Moreover, the theoretical framework is reoriented against new findings in the empirical part throughout the research process.

### **1.7.3. Phenomenology**

In my thesis, phenomenology is considered both a research approach and a methodology, and it relies on Husserlian phenomenology, the founding father of which was the Austrian philosopher Edmund Husserl (1859-1938). Following Husserl, an experience is constituted by the acts of consciousness that make a phenomenon what it is to us. The phenomenological procedure is intended to reveal experiences as they really are: Husserl said, “Return to the things themselves” (Ritzer, 2005). Husserl argued we can only know what we experience, because all our understandings come from the sensory experience of the phenomena that must be described, explicated, and interpreted (Patton, 2002).

Alfred Schutz (1964) developed Husserl’s interest in how ordinary members of society experience the world of everyday life. He stressed the constitutive nature of consciousness and interactions and argued social sciences should focus on how the everyday life of persons is produced and experienced by a society’s members. Schutz pointed out the importance of language as a central medium for transmitting meanings. This again provides the methodological orientation for a phenomenology of social life regarding the relation between language use and objects of experience. Words and language can be seen as the crucial building blocks of everyday reality, and social interaction constructs as much as it conveys meaning (Holstein and Gubrium, 1994).

In my thesis, I take inspiration from Patton, who states the foundational question of phenomenology is “What are the meaning, structure and essence of the lived experience of a specific phenomenon for a person or a group” (Patton, 2002, p. 104). A phenomenological study focuses on descriptions of what people experience and how they experience what they experience. Because this thesis focuses on the essence of individual or shared experiences, it follows the phenomenological research approach exploring how human beings make sense of experience and transform it into consciousness, both individually and as shared meaning (Patton, 2002).

In line with Husserl aiming to get “to the things themselves” through creating written descriptions of personal experience (Conklin, 2007), Patton argues one must conduct in-depth interviews with persons who have directly experienced or lived the phenomenon of interest, as opposed to second-hand information (Patton, 2002). Thus, phenomenology is always subjective, contextual, and retrospective, and it seeks to understand how persons construct meaning. To live, we must interpret and establish some common views based on our thoughts and others’ experiences: the intersubjective world-about-me, as Van Manen (1990:9-10) said:

Phenomenology aims at gaining a deeper understanding of the nature of meaning of our everyday experiences.

In service marketing, the phenomenological nature of value is discussed eagerly. Vargo and Lusch have defined value as follows: “Value is always uniquely and phenomenologically determined by the beneficiary,” because value is experiential, contextual, meaning laden, and idiosyncratic (Vargo and Lusch, 2008, p. 7). According

to service logic within the Nordic school, value is not only phenomenologically determined but also accumulates throughout the customer's value-creating process. Hence, value is always experienced contextually by the customer who is in charge of the process and determines what kind of value is created (Grönroos, 2011b).

CDL adds to the discussion the view that value is not necessarily an active process of creation, but something that is formed in the multi-contextual life of the customer based on experiences during, before, and after the use. This again leads to the need to look beyond the visible co-creation interactions and involve not only the physical but also mental activity of the customer (Voima, Heinonen, and Strandvik, 2010).

Phenomenologically, the emphasis of these three views in service marketing is on understanding a person's experiences of the world. In this thesis, the focus is to seek understanding through customers' memories, experiences, and anticipations by using a variety of methods, particularly interviews, and observations to strengthen understanding. Concerning the epistemological stance, the knowledge of value formation arises from a better understanding of the customers' everyday life context. Managerially, for firms, this means a better understanding of customers' different life stages and situations. By better understanding the daily actions and experiences of consumers, firms could develop their service marketing to meet different customer needs.

## **1.8. Ontological assumptions**

Ontology discusses the philosophical assumptions about the nature of things that exist. According to Burrell and Morgan (1979, p. 1), "There are assumptions of an ontological nature – assumptions which concern the very essence of the phenomena under investigation."

In my thesis, I discuss assumptions about the ontological nature based on the experiences and perceptions that may differ for each individual, as "Reality is always about the individuals' and groups' interpretations" (Blaikie, 1993, p. 94). While natural science is concerned with objective, causal processes, social science is concerned with meaningful actions and practices that require interpretation and understanding (Little, 1991).

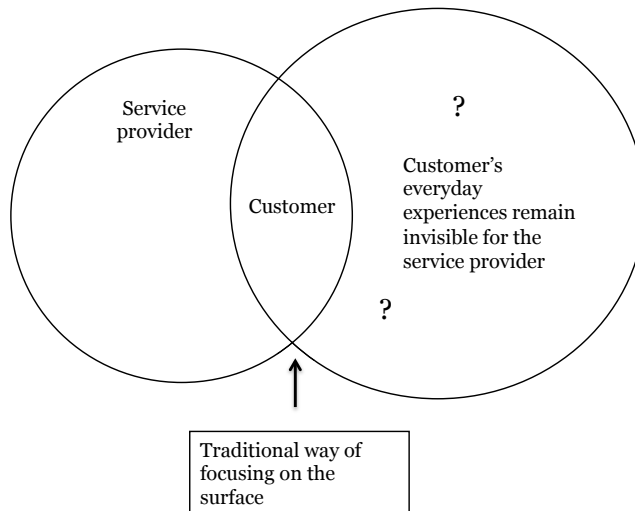
CDL argues that, from the value perspective, the discussions in the traditional, provider-driven view are ontologically thin, and it proposes a broader, ontologically driven view (Voima, Heinonen, and Strandvik, 2010). The ontological foundation of value is grounded in an interpretative approach, and reality is seen as socially constructed and experienced. Further, the relevance of the interpretative approach in CDL is connected with the notion people act based on their interpretations. According to Korkman (2006), value is considered embedded in the practices of the customer, but according to CDL value is embedded in the accumulated, continuously restructured customer reality. The focus is on the invisible and mental life of the customer, and thus, CDL includes psychological assessments and emotions (Voima, Heinonen, and Strandvik, 2010). This again follows hermeneutical phenomenology, which states we experience in our own ways and establish some common views, the inter-subjective, natural world-about-me. Memories, experiences, interpretations, and actions play an important role in one's own life. In my research, I believe different, daily phenomena, including customer interpretations during, before, and after service use, are connected.

### 1.9. Epistemological assumptions

Epistemology seeks to define what justifies us in believing what we do. It is concerned with the questions “What is knowledge?” and “What are the sources and limits of knowledge?” (Eriksson and Kovalainen, 2008, p. 14). It is a general set of assumptions about the best ways of inquiring into the nature of the world, and it tells about how one arrives at research design.

According to the literature review of this thesis, co-creation has mainly been investigated as a harmonious situation between two parties, and only recently have non-harmonious situations been added to the discussion as co-destruction (Plé and Chumpitaz Cáceres, 2010, Echeverri and Skålén, 2011). Further, the focus has mainly been on the interactions between the service provider and customer. Concerning the epistemological stance, CDL brings in the discussion about how knowledge of experienced value arises from a better understanding of the customers’ everyday life context where value is formed in cumulated reality (Voima, Heinonen, and Strandvik, 2010).

This thesis suggests that, by exploring the customers’ actions, expectations, and experiences, it will be possible to deepen the understanding of the different entities of value co-creation. In my research, I conduct interviews and use observations as tools to produce knowledge and present a categorisation model for different entities of service value co-creation. Regarding managerial implications, this research produces insight for marketers within banks and potentially in other service marketing areas to enable marketing to better meet customer expectations. More specifically, with increased knowledge, service providers can offer appropriate solutions to specific customer needs and thus become better embedded in the customer’s life. Figure 5 illustrates how investigation of service value co-creation should be shifted from the visible interaction phase to cover also the customer’s experiences in her total everyday life by increasing understanding of her everyday life context, which is signified by question marks. The methodology to explore this is discussed in Chapter 4.



**Figure 5 Increasing understanding of the customer’s everyday experiences**

### 1.10. Structure of this report

This section presents the structure of the written report and discusses briefly the main aims of each chapter of this thesis.

#### Chapter 1 – Introduction

The first chapter forms the introduction for the thesis. It discusses the key motivation for this study, established from the eagerly debated concept of value co-creation without an unambiguous explanation within service marketing. The three existing logics within service marketing under scrutiny in this study, namely SDL, SL, and CDL are presented.

The chapter presents the recognised gap regarding how the investigation of co-creation is mostly limited to the visible interactions beyond the provider and a customer, whereas the invisible interactions within a customer unit, consisting of several actors, are neglected. Furthermore, the introduction discusses the importance of more empirical evidence and its contribution to the discussion on value co-creation. The chapter presents the purpose of the study to *explore how family as customer experiences co-created service value*. The research process is discussed from the researcher's view in more personal terms. Thereafter, the philosophical position of the study is discussed. The chapter also summarises in a table format the key concepts of the study to increase reader-friendliness.

#### Chapter 2 – Literature review

The second chapter of the thesis presents the key findings of the conducted literature review that forms the basis for the following chapter's presenting the theoretical frame of the thesis. The literature review focuses on the two key concepts forming the background for the study – value creation and value co-creation – and discusses the key findings within the scope of the three logics, namely SDL, SL, and CDL. The chapter presents the identified key definitions on value creation and value co-creation and summarises the most relevant identified examples for this study in a table format. The chapter debates how co-creation processes in interactions have been discussed by the three different logics.

#### Chapter 3 – Conceptual framework of experienced service value

The third chapter conceptualises the theoretical framework for the thesis. It argues customer's experienced service value needs to be investigated more strongly as a consequence of value co-creation in visible and invisible interactions.

The chapter first illustrates how experienced service value can be explored through five different value dimensions, namely *technical*, *functional*, *temporal*, *spatial*, and *personal*, as platforms for value co-creation. The conceptual model is built on earlier service research models discussing customer's experienced value (Heinonen, 2004) and service quality (Grönroos, 1982). Thereafter follows the discussion of the importance of investigating co-creation in both visible and invisible interactions of a family as a customer under investigation.

#### Chapter 4 – Research methodology

The fourth chapter discusses this study's methodology. It discusses the choice of the ethnographic method consisting of interviews and observations of the working

mothers. The aim of the chapter is to give a clear description of the used methods and the choice of the respondents. The study's validity and reliability and how data is analysed, is discussed.

#### Chapter 5 – Model of service value co-creation entities

This chapter deepens the conceptual framework of the thesis through the analysis of empirical data. The aim of the chapter is to illustrate how the empirical findings combined with the theoretical frame presented in the third chapter lead, step by step, to the presented categorisation model for different entities of service value co-creation. The process was nonlinear, and the model's development necessitated several returns to analysing the empirical material. Nevertheless, I have chosen to present this phase in a linear, reader-friendly format. I hope that doing so will enable the reader to see the clear structure of the presented, final categorisation model.

#### Chapter 6 – Discussion

The goal of the last chapter is to present and summarise the final key findings and conclude the study. This chapter evaluates how the thesis's research purpose has been met through discussing the theoretical and empirical contributions of the study. Thereafter follows the presentation of managerial implications and suggestions for future research.

## 2 LITERATURE REVIEW ON VALUE CREATION AND VALUE CO-CREATION

In this thesis, the three service logics, namely service-dominant logic (SDL), service logic, and customer-dominant logic (CDL) are investigated in the literature review when I explore value creation and value co-creation concepts. In my thesis, I will call these three views “logics,” as they are called in service marketing literature today. These logics discuss the role of marketing and the need for new thinking in marketing. Vargo and Lusch (2004) suggest a new, service-centred view of marketing by presenting eight foundational (FP) premises for a new dominant logic in marketing, the proposed view later known as service-dominant logic (Vargo and Lusch, 2006). In 1994, Grönroos argued the old marketing paradigm based on the marketing mix and its 4Ps was outdated and a new paradigm based on relationships was needed. Today, this view of the Nordic School is known as service logic (SL). The discussion of the role of marketing continues in CDL with Heinonen *et al.* (2010) presenting an alternative logic to the goods-dominant and service-dominant logics of marketing, which according to CDL are both still provider-dominant logics. All the three logics try to explain and predict phenomena between the provider and customer and contribute to scientific understanding.

This chapter critically reviews two concepts, namely value creation and value co-creation in prior service marketing research. The goal is to analyse the concepts focusing mainly on the customer’s perspective in b-to-c marketing. The concept of value co-creation is given special attention in this thesis; however, to provide a better understanding and frame for this discussion, the concept of value creation is first explored.

### 2.1. How the literature review was performed

The review process was conducted in two phases using two databases: EBSCOhost and Emerald. In the first phase, review was limited to the most frequently cited peer-reviewed articles published since 2004 that contained the term “value creation” in the title or abstract. The motivation for using this specific period was the publication, in 2004, of the SDL article by Vargo and Lusch discussing how value is created when a customer uses a product. From this search, I selected articles representing six perspectives on the value-creation concept. Table 3 lists these articles.

The second phase of the review process was limited to the most frequently cited articles published since 2004 using the term “co-creation” or “co-created”. From the returns, I selected 27 articles that dealt with co-creation from the marketing or service perspective of the b-to-c relationship. Since co-creation is an area of high interest to the Nordic School, the most recent relevant articles are included at the end of the thesis. Although co-creation began to appear in the service and marketing literature after 2004, the relationship between firm and customer had been of interest before then. To explore this fact more deeply, the terms “co-producer” and “co-production” were added to the second phase of literature review, focusing on 1990–2003, to explore how the term has been used to describe the firm-customer relationship. From this search, 10 articles were validated for analysis. Since the term “co-production” also has been used in the literature to describe the situation when a production run produces, simultaneously, more than one type of product, the rejection rate of this search was

higher compared to the first one. Table 5 presents the most relevant articles on value co-creation in the literature review.

## **2.2. Value creation concept**

This section summarises the key findings of this thesis's literature review regarding value creation. Understanding how value is created has been a key research endeavour in marketing since the early 1900s, when marketing emerged as a separate discipline. The non-interactive economic schools of marketing had exclusively focused on the marketer's perspective, rather than the interaction between marketers and buyers, and contained very little behavioural perspective in theory building (Sheth, Gardner, and Garrett, 1988). Thus, value was produced by providers and consumed by customers. Later, the view arose that interactions take the form of human behaviour, when systems, such as households and firms interact (Alderson, 1965). But value was still embedded in goods that were purchased by the household.

During the 1970s, 1980s, and 1990s, service marketing literature maintained services and goods differ, and services were often defined in relation to goods. In the 1990s, a new opinion emerged in which, from the perspective of consumption and value creation, fundamental differences between goods and services may not exist (Grönroos, 1994). Vargo and Lush (2004) later defined service-centred, dominant logic as applicable in goods marketing as well. Value being something the customer creates in a subjective process has been eagerly discussed within research in service marketing since 1990s, and marketing is moving increasingly towards the service perspective. Since the article by Vargo and Lusch (2004), the service-centred dominant logic and the interactive process between firm and customer has been vigorously discussed over the past decade (Grönroos, 2008, 2010, Vargo, Maglio, and Akaka, 2008, Heinonen *et al.*, 2010, Edvardsson, Tronvoll, and Gruber, 2011).

The literature review on the value creation concept in my thesis explores how different scholars have defined the concept when describing how value is created for the customer. More specifically, this study elaborates how value creation has been described and defined by SDL, SL, and CDL. This knowledge enables a better understanding of value co-creation that will be discussed in this chapter after the value creation concept.

The literature review on value creation in this study is limited to the business-to-consumer context in service marketing. Further, it focuses on literature published between the years 2004 and 2012, starting from the SDL article by Vargo and Lusch (2004) which describes the service-centred view of marketing as a continuous learning process of interaction with the customer, the value of which is initially defined by the customer when using a product or a service for the first time (value-in-use). Following, the debate regarding the different roles of the customer and firm as value-creator or value co-creator has been eager thereafter, and is of interest in this thesis.

The following section summarises the key findings included in the literature review on value creation. Thereafter, the concept of value co-creation is discussed.

### **2.2.1. Perspectives on value creation concept**

Today, several definitions referring to value creation for the customer exist in the service marketing literature. For example, Grönroos (2010) argues we know very little



about the process of value creation, which is among the most ill defined, unclearly used concepts in service marketing. Based on the literature review several authors (Vargo and Lusch 2004, 2008, Grönroos, 2008, 2011a, Vargo, Maglio, and Akaka, 2008, Edvardsson, Tronvoll, and Gruber, 2010, Voima, Heinonen, and Strandvik, 2010) have debated value creation, and different definitions for value creation are used depending on the different perspectives on value creation. In this study the word “perspective” is used to describe the different views represented by the three different logics; SDL, SL, and CDL.

The literature review on value creation reveals the vigorous discussion about it over the past decade has largely stayed on the theoretical level and perhaps has led more to confusion than evolution. Study of value creation indicates the three different logics – SDL, SL, and CDL – represent their own perspectives on value creation with different, preferred definitions: *value-in-use*, *value-in-context*, *value-in-social-context*, *value-in-practise*, *value-in-experience*, and *value-in-life*. These definitions are discussed further in the following part.

### **2.2.2. Value-in-use**

Drawing from SDL, Vargo and Lusch (2004) describe the service-centred view of marketing as a process of doing things in interaction with the customer, who is a co-producer of service. Vargo and Lusch later redefined “co-producer” as “co-creator” (2006). According to the authors, value is perceived and determined by the customer when using a product or a service (*value-in-use*). The customer is always a co-creator of value. Enterprises can only offer their applied resources for value creation and collaboratively, interactively, create value following acceptance of value propositions, but they cannot create value independently (Vargo and Lusch, 2008). Thus, according to SDL, value is perceived and determined by the customer on the basis of value-in-use, and the customer determines whether value has emerged.

Following the Nordic School’s SL, Grönroos (2008) argues customer service logic relates to how customers create value for themselves and how they realise value during consumption. According to him, customers are more interested in what they can do with possessions (value-in-use) than in what they buy and consume (*value-in-exchange*). In practise, goods and services may have exchange value in the short term, but in the long run, no or low value-in-use means no or low value-in-exchange; hence, value-in-use is the concept to build upon, both theoretically and managerially (Grönroos, 2008). Further, he states that in the discussion on SDL, the inner meaning of the value-in-use notion, and the nature of service marketing have not been considered thoroughly. Value-in-use is created in the customers’ value-generating processes, since customers consume services, regardless of whether they buy goods or services. This again means customers create value for themselves, and firms should focus on understanding their customers’ everyday practises and value-generating processes in which goods or services are used. By adopting SL, creating interactions, and taking an active role in the customers’ value-generating processes, a firm can get an extended role in value creation and become co-creator of value, instead of having only the role of value facilitator (Grönroos, 2008).

### **2.2.3. Value-in-context**

Vargo (2008) discusses the scope of value-creation by comparing how goods-dominant logic limits itself to see customers as operand resources, something to be acted on,

whereas SDL sees customers as operant, active participants in the value-creation process. According to Vargo (2008), the involvement of the customer is an option, but the only way of understanding value is through customer participation. When involvement occurs, outputs of a firm are used. But, he argues, even this value-in-use is an improvement over value-in-exchange; it still reflects goods-dominant logic influence. Vargo states, “For this reason, Bob [Robert F. Lusch] and I have more recently suggested the term *value-in-context* (2008, p. 213).” Further, he argues (Vargo, 2008, p. 213), “The contextual nature of value creation is now even more directly captured in FP10: Value creation is always uniquely and phenomenologically determined by the beneficiary, as suggested earlier by Vargo and Lusch (2008, p. 8).” The broader, contextual, network-to-network perspective is underscored, with value creation being understood in the context of a larger value configuration (Vargo, 2008).

Vargo, Maglio, and Akaka (2008) state service systems work together in mutually beneficial ways, depending on the resources of others to survive. Thus, service-for-service is the basis of economic exchange. According to the authors, this view can reframe the relationship among value-in-exchange, value-in-use, and value co-creation. The article states service science and SDL framework shifts focus on value-in-use and value-in-context and suggests service systems create value for themselves and others for mutual benefit (Vargo, Maglio, and Akaka, 2008).

Grönroos (2011a) argues value-in-context is problematic both as concept and expression since context is a static concept, whereas usage is a dynamic process. He says the context of value creation is important, and if the context changes, the flow and outcome of the value-creation process may also change. Grönroos (2011a) suggests the theoretically exact expression should be *value-in-use dependent of the context*, which is abbreviated value-in-use.

#### **2.2.4. Value-in-social-context**

Edvardsson, Tronvoll, and Gruber (2010) contribute to the discussion on value creation within SDL by expanding the understanding with some key elements from social construction theories. When SDL states value is dynamically co-created with customers either as “value-in-use” or “value-in-context,” according to social construction theories, value extends beyond the individual and subjective settings and must be understood as part of the collective social context. The authors argue value is uniquely and phenomenologically determined by actors on the basis of value in a certain context; thus, value should be understood as value-in-social-context, and the evolution of SDL should move toward the social-dominant logic of marketing (Edvardsson, Tronvoll, and Gruber, 2010).

#### **2.2.5. Value-in-practise**

Korkman (2006) positions his study in the tradition of service marketing in the Nordic School, but takes a novel approach to the tradition. He suggests customer’s value is embedded in the customer’s practises and can be enhanced through positive changes by the provider or by the customer himself. According to him, value is not a process of creation, but a systematic context of doing something in which value is formed in the interaction between subject and object while doing. He argues the customer cannot determine customer value, as he is only part of the unit of analysis and seldom has competence with the whole system of practise. In his study, Korkman assumes value is formed in the dynamic arrangement of the practise.

Drawing from SDL, practise theory, and consumer culture theory, Holttinen (2010) investigates value creation in practises. She says that, since value is tied to practises, not to offerings, a key research unit for examining value creation is a value-creating practise in which consumers voluntarily participate, use offerings, and create value (Holttinen, 2010). Further, she recognises fragmented consumers who switch between practise segments according to their needs and possibilities.

#### **2.2.6. Value-in-experience**

Heinonen and Strandvik (2009) present a new conceptual model for investigating experienced value. The conceptual four-dimensional model by Heinonen (2004) is an extension of the two-dimensional service quality model by Grönroos (1982). Heinonen and Strandvik (2009) propose a new way of exploring experienced value through the four-dimensional model of customer-perceived value. The model considers explicitly the value dimensions of time and place, besides the earlier existing dimensions of outcome and process. According to the authors, the model attempts to capture the value-in-use perspective that captures customer activity when using the service.

Voima, Heinonen, and Strandvik (2011b) discuss how value is not formed in isolated experiences but as part of the customer's cumulated everyday experiences. Their study examines the creation of value in experience, where the customer dominates value in experience.

#### **2.2.7. Value-in-life**

Recently, a new view, CDL (Heinonen *et al.*, 2010) presents an alternative logic to the goods-dominant and service-dominant logics of marketing, which according to CDL, are both still provider-dominant logics. The authors assert that value emerges when the service becomes embedded in the customer's context, activities, practises, and experiences with the service company's activities (Heinonen *et al.*, 2010). According to CDL, value formation is not always an active process with an active creator (company or customer), but value formation may also be a passive process without the customer even being aware of it, which again challenges the term "creation" (Voima, Heinonen, and Strandvik, 2010).

According to CDL, value is not limited to value-in-exchange or even value-in-use; instead, value is *formed* in multiple visible and invisible spaces (e.g., biological, mental, social, physical), which reflect the customer's often uncontrollable life sphere (Voima, Heinonen, and Strandvik, 2010). Further, CDL argues the individual customer is part of the value formation process from a highly subjective, personal, and relative standpoint, and value is embedded in the dynamic, collective, and shared customer realities, which even the customer cannot always orchestrate (Voima, Heinonen, and Strandvik, 2010).

SDL outlines value as value-in-use, in which companies propose value through market offerings and customers continue the value-creation process through use. CDL recognises that value formation is not always an active process. Thus, the key focus is no longer on how customers consume a service; instead, it is interesting to know how customers live their lives, and value is extended to a longitudinal *value-in-life* perspective (Voima, Heinonen, and Strandvik, 2010).

The following table summarises the most relevant definitions of value creation used by SDL, SL, and CDL. The examples form a basic understanding for value creation, which is essential for a deeper understanding of value co-creation in this thesis.

**Table 3 Summary of the identified, most relevant examples of the literature review on value creation**

SDL = Service-Dominant Logic, SL= Service Logic, CDL= Customer-Dominant Logic

<b>Definitions of value creation</b>		
<b><i>Value-in-use</i></b>	<b>Logic</b>	<b>Author(s)</b>
<p>“Value is perceived and determined by the customer when using a product or a service (<i>value-in-use</i>)” (p. 7).</p> <p>- Presents the foundational premises (FP) of SDL. SDL should cover not only services but also goods.</p>	SDL	<p>Vargo, S.L., and Lusch, R.F. (2004)</p> <p>“Evolving to a new dominant logic for marketing”</p>
<p>“Creating customer experiences is less about products and more about relationships. ... It involves focusing on <i>value-in-use</i> instead of mere product features” (p. 86).</p>	SDL	<p>Payne, A.F., Storbacka, K., and Frow, P. (2008)</p> <p>“Managing the co-creation of value”</p>
<p>“Only during consumption, realized value in the form of <i>value-in-use</i> is created” (p. 304).</p> <p>- By adopting service logic, firms can get involved in their customers’ value-generating processes.</p>	SL	<p>Grönroos, C. (2008)</p> <p>“Service logic revisited: Who creates value? And who co-creates?”</p>
<p>“In a customer-grounded view, the <i>value-in-use</i> that emerges for the customer appears as function of the customer’s experiences and logic” (p. 1).</p>	SL	<p>Grönroos, C., and Voima, P. (2012)</p> <p>“Critical service logic: making sense of value creation and value co-creation”</p>
<b><i>Value-in-context, Value-in-social-context</i></b>	<b>Logic</b>	<b>Author(s)</b>
<p>“Value creation is always uniquely and phenomenologically determined by the beneficiary.” <i>Value is contextual</i> (p. 7).</p>	SDL	<p>Vargo, S.L., and Lusch, R.F. (2008a)</p>
<p>“Service dominant logic framework focuses on <i>value-in-use</i> and <i>value-in-context</i> and suggests that service systems simultaneously access, adapt and integrate resources to create value for themselves and others” (p. 151).</p>	SDL	<p>Vargo, S.L., Maglio, P.P., and Akaka, M.A. (2008)</p> <p>“On value and value co-creation: a service systems and service logic perspective”</p>
<p>Value should be understood as value-in-social-context, and the evolution of SDL should move toward a social-dominant logic of marketing (pp. 10-11).</p>	SDL	<p>Edvardsson, B., Tronvoll, B., and Gruber, T. (2010)</p> <p>“Expanding understanding of service exchange and value co-creation: A social construction approach”</p>

Sees value-in-context problematic since context is a static concept, whereas usage is a dynamic process.  Suggests that a theoretically exact expression should be <i>value-in-use dependent of the context</i> , abbreviated value-in-use (p. 16).	SL	Grönroos, C. (2011b)  “Value co-creation in service logic: A critical analysis”
<b>Value-in-practise</b>	<b>Logic</b>	<b>Author(s)</b>
“Customer’s <i>value is embedded in the customer’s practices</i> and can be enhanced through positive changes by the provider or by the customer himself” (p. 51).  - Presents a practise-theoretical approach	SL	Korkman, O. (2006)  “Customer value formation in practice: A practice-theoretical approach”
“Since <i>value is tied to practices</i> , not to offerings, a key research unit for examining value creation is a value-creating practice in which consumers voluntarily participate, use offerings, and create value” (p. 106).	SDL	Holtinen, H. (2010)  “Social practices as units of value creation: Theoretical underpinnings and implications”
<b>Value-in-experience</b>	<b>Logic</b>	<b>Author(s)</b>
“The paper proposes a completely different way of approaching customer-experienced value. ... We have adapted a value-in-use that considers customer activity when using the service” (pp. 45-46).  - Emphasis on customer’s experience in service		Heinonen, K., and Strandvik, T. (2009)  “Monitoring value-in-use in e-service”
“Value is not formed in isolated experiences but as part of cumulated customer experiences in the context of their ecosystem and everyday life” (p. 282).  - Value is embedded in the customer’s everyday experiences	CDL	Voima, P., Heinonen, K., and Strandvik, T. (2011b)  “Value In Experience: Proposing a customer dominant marketing vocabulary”
<b>Value-in-life</b>	<b>Logic</b>	<b>Author(s)</b>
“Value emerges when the service becomes embedded in the customer’s life” (p. 9).  - CDL emphasises customer experience in service by positioning the customer in the forefront	CDL	Heinonen, K., Strandvik, T., Mickelsson, K.-J., Edvardsson, B., Sundström, E., and Andersson, P. (2010)  “A customer dominant logic of service”
“Value formation does not only take place in the sphere of the service or relationship; instead, value is formed in the context of ‘living’” (p. 7).	CDL	Voima, P., Heinonen, K., and Strandvik, T. (2010)  “Exploring customer value formation – a customer dominant logic perspective”

### 2.2.8. Key findings of the literature review on value creation

The study indicates the three different logics – SDL, SL, and CDL – represent own perspectives on value creation, and they prefer to use different definitions: *value-in-use*, *value-in-context*, *value-in-social context*, *value-in-practise*, *value-in-experience*, and *value in-life*.

It is notable that even words used for describing the definitions of value creation vary. For example, “value-in-context” is a “term”, Vargo (2008) says, whereas Grönroos (2011a) uses the word “concept” or “expression” when referring to “value-in-context”. Voima, Heinonen, and Strandvik (2010, p. 7), again, use the word “perspective”: “...and value is extended to a longitudinal value-in-life *perspective*.”

The following Table 4 presents how the three different logics utilise different definitions when discussing value creation. Next, I will discuss the literature review on value co-creation.

**Table 4 Different logics’ definitions for value creation**

<b>Logic</b>	Service-dominant logic	Service logic	Customer-dominant logic
<b>Definitions used for value creation</b>	Value-in-use Value-in-context Value-in-social context Value-in-practise	Value-in-use Value-in-practise	Value-in-experience Value-in-life

### 2.3. Value co-creation concept

This section discusses the key findings of the literature review on value co-creation. This thesis contributes to the ongoing discussion on value co-creation within SDL, SL, and CDL with a special focus on advancing the conceptual thinking behind CDL. This section describes how different scholars included in this literature review have discussed co-creation within the three logics.

Value co-creation is eagerly debated in service marketing literature, and the issue has seen considerable discussion during the past decade (Grönroos, 2000, Ballantyne, 2006, Vargo, Maglio, and Akaka, 2008), particularly since the publication of the article on SDL by Vargo and Lusch (2004). But it is worth noting that, despite the vigorous debate regarding co-creation during the past decade, the role of the customer as the one who defines the value of the product or service emerged in the academic discussion many years earlier. According to Levitt (1960), sales is preoccupied with the seller’s need to convert his product into cash, whereas the idea of marketing is to satisfy the needs of the customer with not only the product itself, but also a whole cluster of peripherals associated with creating, delivering, and finally consuming it. In a later article, Levitt (1980) points out that customers attach value to a product in proportion to its perceived ability to help them solve their problems or meet their needs; all else is derivative. Normann (1984) recognises the role of the customer, as he suggests the focus should be on the interface between the customer and company, not on the production. According to him, business is generated by the customer relationship.

Although the concept of value co-creation has been established as a hot topic during the past decade, the foregoing discussion of the customer defined as a co-producer has

equally focused on interaction between the firm and the customer (Grönroos, 1990, Wikström, 1996). Wikström (1996) writes that when the customer is a co-producer, the interaction between the parties should generate more value than a traditional transaction process, when the buyer and seller meet only briefly and exchange goods or services. The author states a deeper interaction between the seller and buyer improves the level of creativity on both sides and is likely to inspire new ways of doing business. Edvardsson (1996) contributes to this view by saying that understanding how to manage and improve quality in service requires an appreciation of the unique characteristics of the service industry. According to Edvardsson, unlike manufacturing, the service experience involves the customer as a co-producer.

The literature proves that, despite the abundance of contributions for describing value co-creation, the content remains unclear. In fact, it can be argued that co-creation has been used widely in literature to describe the interaction between the firm and the customer without an unambiguous explanation. As such, the interaction has been of interest, like the role of customer, but what is lacking is a deeper look at how value is experienced in the customer's life, and who, in fact, belongs to a customer unit. The literature review identifies some convergences and divergences of the definitions of "co-creator" and the "co-creation process". These findings provide an important background for the theoretical frame of this thesis. These findings will be discussed next.

### **2.3.1. Definitions of co-creator**

First, the literature review indicates different views about regarding who the co-creator is. Several authors (Grönroos, 2007, Vargo and Lusch, 2008b, Prahalad and Ramaswamy, 2000) have debated the role of the customer – initially, co-producer and later in the literature, co-creator. Vargo and Lusch (2004) describe the service-centred view of marketing as a continuous learning process of interaction with the customer, the value of which is initially defined by the customer when using a product or a service for the first time (value-in-use). The customer is always a co-creator of a service, and a firm can actively generate value propositions that strive to be better or more compelling than those of its competitors (Vargo and Lusch, 2004, 2007, 2008). Vargo and Lusch (2004) argue the customer is a co-producer of service and marketing is a process of doing things in interaction with the customer. Payne, Storbacka, and Frow (2008) contribute to this discussion by exploring how customers engage in the co-creation of value in SDL. According to them, the value co-creation process involves the supplier creating superior value propositions, with customers determining value when a good or service is consumed. Co-creation involves customers' active involvement and interaction in every aspect (Payne *et al.*, 2009), and the customer is stepping outside the traditional role and wants to interact with the firm (Prahalad and Ramaswamy, 2000, 2004).

The Nordic School concept of SL, however, presents a contrasting view by defining the customer as the value-creator and thus not always a co-creator. The firm can become a co-creator by engaging itself in the customer's processes and thus play a larger role than that of a mere facilitator (Grönroos, 2007, 2011b, Grönroos and Voima, 2012).

Lately, in this vigorous debate on value co-creation, the role of the customer has been questioned. CDL (Heinonen *et al.*, 2010) asserts the customer is yet seen as a target and the approach is still provider driven. Furthermore, the term "co-creation" is questioned since value is not seen as something that is always actively and mutually created

(Voima, Heinonen, and Strandvik, 2010). According to the authors, value formation may also be a passive process without the customer even being aware of it (Voima, Heinonen, and Strandvik, 2010). Additionally, value is defined as something that is formed in the customer's life based on experiences, not only during the interaction but also before and after it (Heinonen *et al.*, 2010). Consequently, firms should increase their understanding regarding how customers integrate services into their own activity systems and thus get an opportunity to become better embedded in customers' lives (Voima, Heinonen, and Strandvik, 2010, Voima *et al.*, 2011).

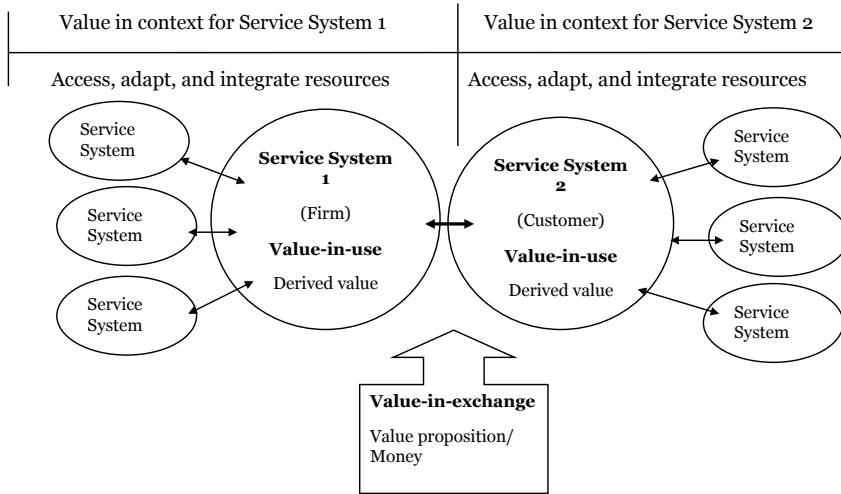
Moreover, the literature review shows that not only the definitions regarding the role of the co-creator differ, but also the way of defining the processes in which co-creation takes place. Service is a process in which the interaction plays a crucial role, according to SDL (Vargo and Lusch, 2004, 2007, Vargo, Maglio, and Akaka, 2008, Kristensson, Matthing, and Johansson, 2008, and Payne *et al.*, 2008) and SL (Grönroos, 2007, 2009, Grönroos and Ravald, 2011). The way of discussing processes and interactions differ within these two logics. This subject will be discussed further in the following section.

### **2.3.2. Definitions of co-creation interaction processes**

According to Vargo, Maglio, and Akaka (2008), service systems, defined as “a configuration of resources including people, information and technology, interact through mutual service exchange relationships”. The authors state service systems work together in mutually beneficial ways. These systems co-create value, effectively depending on the resources of others to survive. Thus, this interdependence drives service-for-service exchange and resource integration. Service-for-service is seen as the basis of economic exchange, and it reframes the relationship among value-in-exchange, value-in-use, and value co-creation. Service systems propose value in the market based on their capabilities and resources, and the value proposition is then accepted, rejected, or unnoticed by other service systems in need of resources. Once the value is proposed and made available, the other service systems, potential customers, can decide whether to accept the value proposition. Thus, co-creation of value inherently requires the participation of more than one service system, and value is created through exchange (Vargo, Maglio, and Akaka, 2008).



Figure 6 illustrates the systems view.

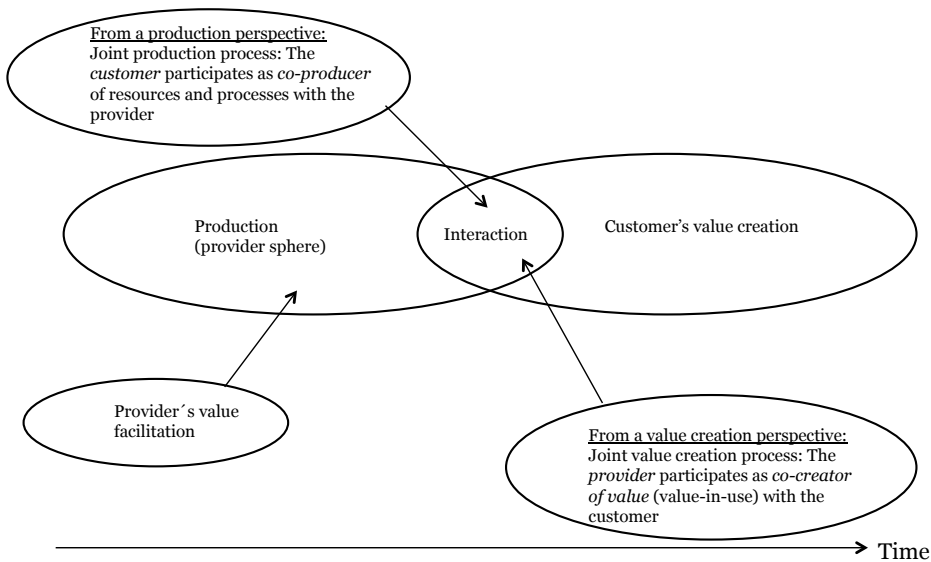


**Figure 6 Value co-creation among service systems (Vargo, Maglio, and Akaka, 2008, p. 149)**

According to the Nordic School, firms should not be distracted by existing goods or services in their market offering, but focus on understanding their customers' everyday practises and value-generating processes in which goods and services are used. Taking this as a starting point, suppliers can focus on understanding how they can assist customers' value creation by supplying goods and services that support customers' creation of value-in-use. Seeing the customer always as a value-creator and by adopting SL and taking an active role, the firm can get the chance to engage with the customer's process and thus become a co-creator of value (Grönroos, 2008).

The interaction concept plays a key role in service marketing in the Nordic School research tradition (Grönroos, 1982, 2011, Gummesson, 1991). Grönroos (2009) argues the processes of the customer and the firm run parallel and are integrated into one joint value co-creation process in which the firm can be directly engaged with its customers' value fulfilment. The unique contribution of SL offers opportunities for firms to become co-creators of value, but only if interaction exists. Since provider and customer processes partly occur simultaneously, interactions exist during which customers get opportunities for co-production with the firm. From the value-creation perspective, value-in-use takes place in the customer's sphere, and the supplier may get the chance to support the customer's value creation by engaging with the customer's usage process (Grönroos, 2011a, Grönroos and Raval, 2011).

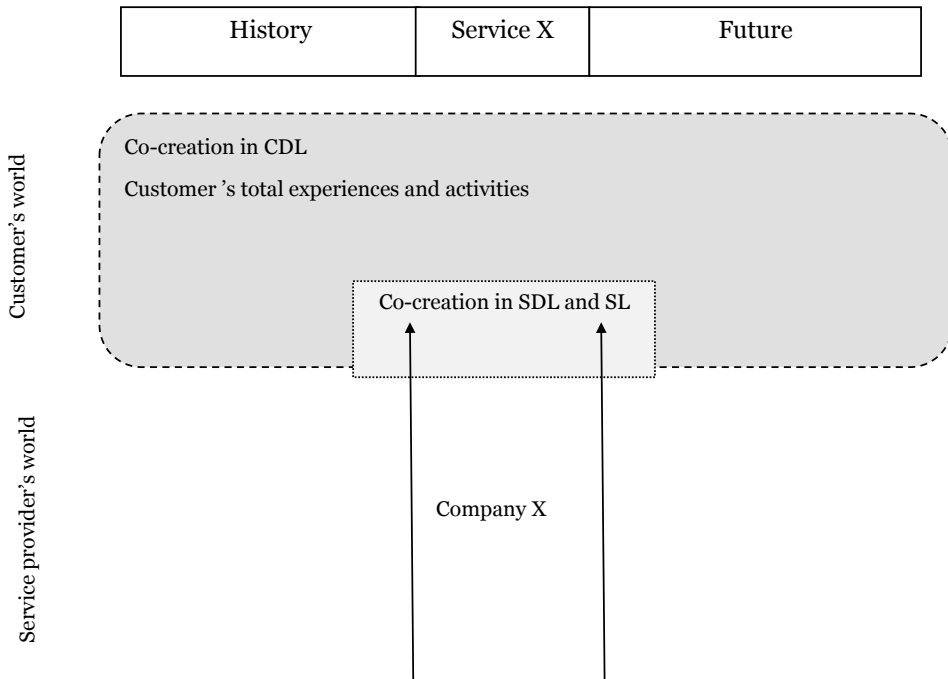
According to Ballantyne and Varey (2008), the interactions involving co-creation of value are dialogical and result in a unique value. Grönroos (2011a) argues that, without the existence of interaction, the supplier has no value co-creation opportunities, and therefore, co-creation requires that the supplier and the customer be simultaneously present in the joint value creation process. Grönroos (2011a) states further that in isolation, the supplier is the facilitator and the customer is the sole value creator (Figure 7). In the recent article by Grönroos and Voima (2012), the interaction is defined as the joint sphere where customer is the value creator, and only during direct interactions is the provider invited as a co-creator to the dialogical process.



**Figure 7 A model for value-in-use creation (Grönroos, 2011, Laurea SID Seminar)**

Exploring further, CDL (Heinonen *et al.*, 2010) argues there is a need to contrast the traditional company-oriented view of involving the customer in service co-creation with a customer-oriented view of involving the service provider in the customer's life. The presented model emphasises the focus is on understanding the customer's life, not on the service interaction process, as proposed in the both service logics. From the CDL perspective, co-creation is not always a straightforward activity in which the company controls the interaction, making the company perspective a starting point. The service experience is more than a process of perception: It is a process of long-term, context-bound relating. Understanding practises is not enough, but understanding the customer's different roles and profiles in everyday life will give the opportunity to offer a choice for the customer because customers fulfil their tasks and service is a secondary issue. Thus, companies should understand how customers integrate service into their own activity systems (Heinonen *et al.*, 2010).

In my thesis, I argue a deeper knowledge of the customer's life is needed, and thus the following Figure 8 (Heinonen *et al.*, 2010) is essential for building the theoretical framework of my research. The figure portrays an adaption from the original model, which shows the customer's perspective focuses not only on the producer's service, but the customer's total activities and experiences in the customer's life, before, during, and after the interaction. The shaded area of the Customer refers not only to the service episode in the interaction with the Company X, but also to possible intentions, willingness, and other factors in the customer's world that may allow co-creation (Heinonen *et al.*, 2010).



**Figure 8 Co-creation in CDL contrasted with co-creation in SDL and SL (Adapted from Heinonen *et al.*, 2010, p. 535)**

### **2.3.3. Co-creation vs. co-destruction**

The literature review demonstrates co-creation in marketing literature is mostly discussed as a positive interaction between the customer and the firm, for example, Prahalad and Ramaswamy (2004), “Co-creating unique value with customers,” followed by several others (Leavy and Moitra, 2006, Vargo and Lusch, 2008, Vargo, Maglio, and Akaka, 2008, Payne, Storbacka, and Frow, 2008, Grönroos, 2009). The co-creation process is mostly understood as something positive and unique for both parties that can be obtained through interaction in mutually beneficial ways. Value creation has also been defined as a process in which the user becomes *better off* in some respect (Grönroos, 2008, 2011a) or as a thing in which the customer’s well-being is increased (Vargo, Maglio, and Akaka, 2008). Interestingly, Grönroos (2008) makes a distinction between how value emerges for customers when they feel better off than before when they get assistance with a self-service process, like withdrawing cash from an ATM, or when they take part in a full-service process, like withdrawing cash over the counter in a bank.

Davidson (2004) contributes to the discussion of value co-creation by adding the aspect of what happens when co-creating with customers goes wrong. Cova and Dalli (2009) believe consumers are the primary source of value and thus challenge the idyllic situation presented by SDL in which consumers and producers live in harmony. The authors emphasise the negative side of consumer production and collaboration, which is double exploitation. But there is no general law determining when this occurs. It is likely to occur under specific circumstances, when symbolic and social rewards are no longer sufficient to justify consumers’ commitment (Cova and Dalli, 2009).

Articles using the term “co-destruction” appear in the literature review starting from 2010 (Plé and Chumpitaz Cáceres, 2010, Echeverri and Skålén, 2011), which indicates that interactive value formation is understood to lead not necessarily only to a positive result but also possibly to a negative one. The term “co-creation” is used for a positive result, whereas the newer term, “co-destruction,” is used to describe a negative result.

Value co-creation leading to a positive result has played a surprisingly dominant role in service marketing literature during the past decade, whereas the negative impact of interactive value creation has had a minor role until recently. Furthermore, though the possible exploitation described as co-destruction has added a new, interesting view to this discussion, a deeper investigation is still lacking regarding what is meant by *better off* and *not better off*.

#### **2.3.4. Key findings of the literature review on value co-creation**

Table 5 summarises the key findings of the literature review and presents the most relevant definitions on value co-creation used by different scholars. The literature review shows the discussion has shifted from co-production to co-creation. In earlier discussions, co-production focused on describing the importance of the customer taking part in the supplier’s production processes of goods and services. Involving customers meant a shift toward service experiences. Starting from the beginning of the 21st century, the active customer has gained a more important role as a co-creator of value, whereas the role of the firm has been more to offer value propositions. Simultaneously, managers have become more dependent on the customers’ involvement and interactions. During the past few years, co-creation processes have gained more focus as dialogical, collaborative interactions between the provider and customer, and understanding the role of the customer has become more crucial.

**Table 5 Summary of the most relevant examples of the literature review on value co-creation**

<b>Definitions on value co-creation</b>		
<b>Customer is a co-producer</b>	<b>Type of study</b>	<b>Author(s)</b>
Move from product dominance towards a service orientation. Identifies rethinking of the client's role as co-producer.	Case study	Claude Jr., R.M., and Horne, D.A. (1992)  "Restructuring towards a service orientation: The strategic challenges"
Consumers are seen as co-producers in a service relationship. The interdependent relationship's value creations between the provider and the customer are crucial.	Conceptual study	Sheth, J.N., and Parvatiyar, A. (1995)  "The evolution of relationship marketing"
Unlike manufacturing, the service experience involves the customer as co-producer.	Conceptual study	Edvardsson, B. (1996)  "Making service-quality improvement work"
The interactive way of working with consumers is referred to as customer co-production.	Conceptual study	Wikström, S. (1996)  "The customer as co-producer"
Reviews the research opportunities a value co-production framework opens up.	Conceptual study	Ramirez, R. (1999)  "Value co-production: Intellectual origins and implications for practice and research"
Customers become new sources of competence for the firms.	Conceptual study	Prahalad, C.K., and Ramaswamy, V. (2000)  "Co-opting customer competence"
Co-production is customer participation in the production of goods and services.	Conceptual study	Bendapudi, N., and Leone, R.P. (2003)  "Psychological Implications of Customer Participation in Cco-production"
<b>Customer is an active co-creator</b>	<b>Type of study</b>	<b>Author(s)</b>
The eight foundational premises (FP) on SDL are presented. SDL should cover not only services but also goods. The customer defines value-in-use and is always a co-producer of value. A firm can only offer value propositions.	Conceptual study	Vargo, S.L., and Lusch, R.F. (2004)  "Evolving to a new dominant logic for marketing"
Active consumers want to interact with firms and thereby co-create value.	Conceptual study	Prahalad, C.K., and Ramaswamy, V. (2004)  "Co-creating unique value with customers"
Managers are learning to depend on the consumers to be involved.	Conceptual study	Leavy, B., and Moitra, D. (2006)  "The practice of co-creating unique value with customers"
User involvement as a form of co-creation in product and service development.	Conceptual framework including an empirical case study	Kristensson, P., Matthing, J., and Johansson, N. (2008)  "Key strategies for the successful involvement of customers in the co-creation of new technology-based services"
Value co-creation within the context of SDL.	Conceptual study	Payne, A.F., Storbacka, K., and Frow, P. (2008)  "Managing the co-creation of value"
Co-creation involves customer's active involvement and interaction in every aspect.	Conceptual study	Payne, A.F., Storbacka, K., Frow, P., and Knox, S. (2009)  "Co-creating brands: Diagnosing and designing the relationship experience"

<b>Customer is an active co-creator</b>	<b>Type of study</b>	<b>Author(s)</b>
Value co-creation is customer's voluntary participation in product support.	Conceptual study	Nambisan,S.,R., and Baron, R.A. (2009) "Virtual Customer Environments: Testing a Model of Voluntary Participation in Value Co-creation"
Focuses the role of consumers as virtual co-creators in new product development projects.	Conceptual study	Füller, J. (2010) "Refining virtual co-creation from a consumer perspective"
<b>Co-creation in service systems</b>	<b>Type of study</b>	<b>Author(s)</b>
Marketing actions extend beyond product development and innovation to actively co-creating experiences with customers in communities.	Case study	Rowley, J., Kupiec-Teahan,B., and Leeming, E.(2007) "Customer community and co-creation"
Co-creation established through dialogical interaction.	Conceptual study	Ballantyne, D. and Varey, R.J. (2008) "The service- dominant logic and the future of marketing"
The locus of value creations moves from the producer to a collaborative process of co-creation between parties; service is exchanged for service.	Conceptual study	Vargo, S., and Lusch, R.F. (2008b) "From goods to service(s): Divergences and convergences of logics"
Service systems co-create value, depending on the resources of others to survive.	Conceptual study	Vargo, S.L., Maglio, P.P., and Akaka, M.A. (2008) "On value and value co-creation: a service systems and service logic perspective"
Co-creative organization is possible only with an active involvement by every employee who interacts with consumers.	Conceptual study	Ramaswamy, V. (2009) "Leading the transformation to co-creation of value"
Co-creative engagement among individuals and institutions, both outside and inside enterprises, is crucial.	Case study	Ramaswamy, V. (2010) "Competing through co-creation: innovation at two companies"
<b>Firm is a co-creator in an interactive process</b>	<b>Type of study</b>	<b>Author(s)</b>
Customer is the value-creator,and a firm can become a co-creator by engaging itself in the customer's process.	Conceptual studies	Grönroos, C. (2007) "In Search of a New Logic for Marketing. Foundations of Contemporary Theory" Grönroos, C. (2008) "Service logic revisited: Who creates value? And who co-creates?"Grönroos,C. (2008)
The processes of the customer and the firm run parallel and are integrated into one joint value co-creation process.	Conceptual study	Grönroos, C. (2009a) "Marketing as promise management:Rregaining customer management for marketing"
The unique contribution of service logic offers opportunities for firms to become co-creators of value, but only if interaction exists.	Conceptual study	Grönroos, C. (2009b) "Towards service logic: The unique contribution of value co-creation"
Value co-creation is a joint value creation process, which requires the simultaneous presence of both customer and supplier.	Conceptual study	Grönroos, C. (2010) "A service perspective on business relationships: The value creation, interaction and marketing interface"

<b>Firm is a co-creator in an interactive process</b>	<b>Type of study</b>	<b>Author(s)</b>
Value co-creation occurs as firms participate in customer practices.	Conceptual study with case study	Storbacka, K., Korkman, O., and Harald, B. (2010) "Practices as Markets: Value Co-Creation in e-invoicing"
Customer value demands two distinct sub-processes. Only during interactions can the supplier influence the customer's value-in-use.	Conceptual study	Grönroos, C., and Ravald, A. (2011) "Service as business logic: implications for value creation and marketing"
Value is co-created only during direct interactions when the provider participates as a co-creator in the customer's value creation process.	Conceptual study	Grönroos, C., and Voima, P. (2012) "Critical service logic: making sense of value creation and co-creation"
<b>Co-destruction</b>	<b>Type of study</b>	<b>Author(s)</b>
Failed service can destroy the relationship at interactions where co-creation occurs.	Case study	Davidson, A. (2004) "When co-creating value with a customer goes wrong"
Value can be co-destroyed through interactions by misuse.	Conceptual study	Plé, L., and Chumpitaz Cáceres, R. (2010) "Not always co-creation: introducing interactional co-destruction of value on service-dominant logic"
Value co-creation and co-destruction are two key dimensions of interactions in value practices.	Conceptual study including a case study	Echeverri, P., and Skålén, P. (2011) "Co-creation and co-destruction: A practice-theory based study of interactive value formation"
<b>Challenging "creation"</b>	<b>Type of study</b>	<b>Author(s)</b>
Customer experience in the forefront rather than the service provider or the interaction.	Conceptual study	Heinonen, K., Strandvik, T., Mickelsson, K-J., Edvardsson, B. Sundström, E., and Andersson, P. (2010) "A customer dominant logic of service"
Value formation can be also a passive process and thus the term "creation" is challenged.	Conceptual study	Voima, P., Heinonen, K. And, Strandvik, T. (2010) "Exploring customer value formation – a customer dominant logic perspective"
Value is formed in the customer ecosystem.	Conceptual study	Voima, P., Heinonen, K., Strandvik, T., Mickelsson, K-J., and Arantola-Hattab, J. (2011) "A customer ecosystem perspective on service"

## 2.4. Discussion

The literature review on value co-creation indicates that, during the past decade, "co-creation" has become vague in service marketing literature in the context of service (dominant) logic without specific demands for clear definitions.

The recent invention of the term "co-destruction" refers to collaborative destruction or diminishment of value between the provider and customers in interaction (Echeverri and Skålén, 2011). This demonstrates a challenge to earlier definitions of co-creation as striving for mutual benefits or being better off. CDL (Voima, Heinonen, and Strandvik,

2010) challenges the whole word “creation” and suggests the focus should be shifted from co-creation to value formation in the customer’s life.

It seems the on-going discussion on value co-creation is following the earlier discussion of value creation, which also includes several definitions depending on the service marketing perspective the respective author follows. As the literature review of this thesis indicates, value co-creation within service research is mainly discussed as a process between the service provider and the customer. The Nordic School emphasises joint value creation, which during a relationship merges into one integrated process between the customer and the provider (Grönroos and Ravald, 2011). The customer’s independent value creation is described as value-in-use (Grönroos, 2011b, Echeverri and Skålen, 2011). According to this SL-based view, co-creation opportunities are limited to the interactions in which the provider and the customer are in contact with each other and jointly co-create value. The involved parties are defined to be involved in some contact to influence each other’s processes (Grönroos and Ravald, 2011). In the recent article by Grönroos and Voima (2012), the joint and simultaneous interaction is defined as the joint sphere where customer is the value creator, and only during these direct interactions does the provider become a co-creator when invited to the dialogical process.

The service dominant-based view emphasises that co-creation of value inherently requires participation of more than one service system and that value is created through exchange in interaction (Vargo, Maglio, and Akaka, 2008). The focus is on how service is exchanged for service in a process that requires participation of both the provider and the customer, and value is co-created mutually during the interactions (Vargo and Lusch, 2004, Payne, Storbacka, and Frow, 2008). The focus is more on co-creation as a process than discussing the co-creator that in SDL has been defined always to be the customer.

When adding the customer dominant-based view (Heinonen *et al.*, 2010) of the service becoming embedded in the customer’s life before, during, and after the interaction, the limitation of co-creation of value taking place only during joint interactions in the customer-provider interface becomes interesting. This raises several questions. If the provider can influence the customer’s experiences directly and actively only during interactions, as defined by Grönroos and Ravald (2011), what is happening in the customer’s life before or after the interaction? Furthermore, what are the effects of the provider’s offerings or activities in the customer’s life, and who is involved in a customer’s service value experience? Does a customer experience service value only individually, or are there other people involved in the customer’s life affecting collectively experienced service value, and could a customer’s ecosystem (Voima *et al.*, 2011) be investigated more thoroughly? Is the customer singular or plural, and does that have meaning?

My enthusiasm for investigating value co-creation resulted from my literature review, which disclosed that theoretical and empirical further research is needed to define value co-creation more concretely. The findings of my literature review are elaborated more in the next chapter, which presents the theoretical framework for the thesis. The chapter first describes how a customer’s experienced service value needs to be investigated more strongly as a consequence of value co-creation covering both visible and invisible interactions of a customer unit, as suggested by Arantola-Hattab (2012). This thesis recognises that, in the debate on value co-creation, the customer in b-to-c marketing has remained an undefined unit and a deeper analysis of the customer unit



is lacking. The study widens the scope of a customer, traditionally seen as one person, to include several individuals forming a dynamic customer unit.

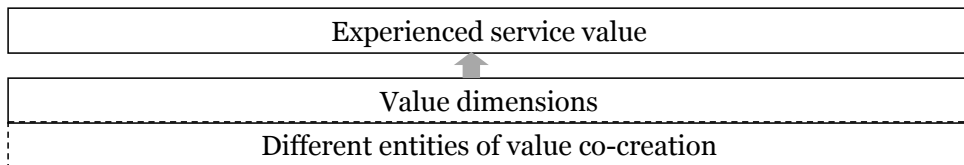
### 3 CONCEPTUAL FRAMEWORK OF EXPERIENCED SERVICE VALUE

This chapter presents the theoretical framework for this thesis. As my literature review indicates, there has been a shift from value-in-exchange to value-in-use in service research. Lately, customer's experienced service value has been discussed, and it has been realised that customers derive service value from the experiences resulting from the process and the outcome (Grönroos, 2011a). Despite these encouraging findings, there remains a lack of conceptual clarity regarding experienced service value as a consequence of value co-creation between the provider and the customer.

In this thesis, co-creation is not the end result or benefit, but a process in visible and invisible interactions leading to experienced service value of the customer. The co-creation process encompasses different entities that express experienced service value. Hence, the experienced service value of a customer is a consequence of different entities of co-creation. The identified different entities of co-creation in this study will be discussed more in detail in Chapter 5.

This chapter adapts the thinking of earlier research that recognises the importance of examining value dimensions as drivers for customer's experienced service value (Grönroos, 1982, Heinonen, 2004, Heinonen and Strandvik, 2009). In earlier research value dimensions have been investigated as drivers for customer's value experience mainly in visible interactions. This thesis recognises the need to examine value dimensions beyond the visibility line to cover invisible interactions. Hence, this study encompasses a twofold investigation of value dimensions as platforms for exploring different entities of co-creation covering both the visible and invisible sphere of the customer unit.

The following Figure 9 is a simplified model illustrating the conceptual framework that will be discussed more in detail in Subsection 3.1.



**Figure 9 Experienced service value investigated through dimensions as platforms for co-creation**

The next section discusses the five value dimensions when investigating customer's experienced service value.

#### 3.1. Experienced service value through co-creation

This section discusses the five value dimensions that are used as platforms for investigating value co-creation in this study. This thesis adapts earlier findings exploring experienced service value through the four value dimensions: *technical*, *functional*, *temporal* and *spatial*. Based on empirical analysis, it also suggests a new, fifth dimension: the *personal* dimension. All five dimensions will be discussed next.

### 3.1.1. *Experienced service value through value dimensions*

The conceptual model in this section is built on earlier service research models presenting customer-perceived value (Heinonen, 2004) and service quality (Grönroos, 1982). The former is an extended model of the latter, and it adds two new value dimensions, namely the spatial and temporal, to the previous model, consisting of technical and functional dimensions studying the customer's experienced value. In her study, Heinonen (2004) conceptualises customer-perceived value as a function of the benefit and sacrifice components. Customer-perceived value is defined as the subjective tradeoff between the benefit and sacrifice of technical, functional, temporal, and spatial value dimensions (Heinonen, p. 92). Building on these two earlier studies, Heinonen and Strandvik (2009) present a new conceptual approach for analysing the experienced service value of the customer. The presented multidimensional approach explicitly considers the influence of time and place on service value.

This thesis suggests that, by increasing the number of dimensions to five, an even closer exploration of the experienced service value becomes possible. Consequently, this study discusses altogether five dimensions, namely the *technical*, *functional*, *temporal*, *spatial*, and the new one in service research, the *personal* dimension. This study discovers that the role of the person who is representing the service provider in an interaction plays a significant role in co-creation for the customer. Therefore, this person should be separated from the functional dimensions, where s/he has been included in earlier studies. Hence, the study adds a fifth dimension: the personal dimension.

In this study, these five dimensions are investigated deeper by using specific question words for each, namely "*what*," "*how*," "*when*," "*where*," and "*who*," which all are related to a customer's diverse experiences in a specific service context – in this thesis, banking service. These question words follow the earlier definitions that have been used for the different value dimensions (Grönroos, 1982, Heinonen, 2004).

According to Grönroos (2011b), experienced service value results from the technical and functional dimensions. In this thesis, the *technical dimension* is under scrutiny, supported by the question word "*what*." That word is used to describe the final content the customer has been offered. This study adapts the term "*offer*" from the previously used "*core offering*" (Holmlund, 1997), because "*offer*" describes what the provider has proposed from the customer's perspective. Hence, the technical dimension in this study is described as an offer, instead of an outcome.

The *functional dimension*, again, describes the process of *how* service is experienced. It has been defined to involve aspects such as attitudes, trustworthiness, and behaviour of the service employee in the customer-service provider interaction (Grönroos, 1982). Heinonen (2004) discusses the functional dimension referring to the customer's own activities in the service delivery process, for example, getting assistance with technical issues, if needed. It remains wide open for interpretation because the functional dimension includes aspects referring to service personnel in interactions and the customer's active role in the service delivery process.

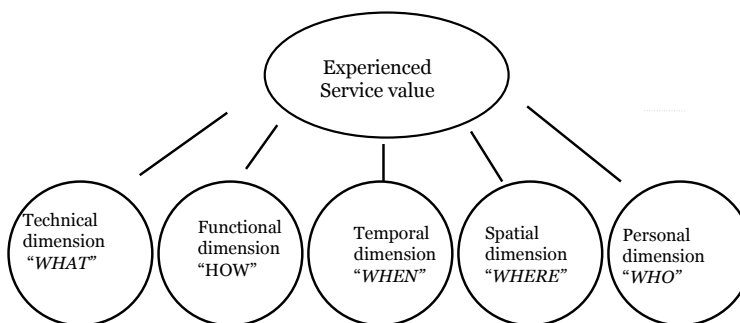
The *temporal dimension* is newer in service management models (Heinonen, 2004). By adding this dimension, the question "*when*" enables a closer study of time-related aspects. Earlier scholars have referred to the temporal dimension as the length of time that has been used to perform a service or the possibility for the customer to choose when to use a service (Heinonen, 2004). Equally, Liljander and Strandvik (1995)

recognised how suitable business hours and a flexible appointment system influence the relationship between the customer and the service provider. This study illustrates that, from the customer's perspective, the right timing is often crucial because different roles and mental models drive different life stages. Thus, in this thesis, time is not only defined as flexibility, but also the topicality of service in one's life within a specific time frame.

The *spatial dimension* regards the physical location of *where* to use a service. Heinonen (2004) recognised the importance of physical appearance, such as the freshness of the service location for the customer. Moreover, she discusses the spatial flexibility regarding how the service location facilitates service delivery and the approachability of the service. It can be assumed rapid changes in technology enable customers to have more individual choices regarding where to perform a service. Equally, it can be assumed customers want to decide themselves where to interact with the provider based on their own needs and desires. The customer does not always necessarily desire to interact in the same way the company may desire or has planned. An interesting question is, when is a customer willing to perform a service in a physical location of a provider – is it more inconvenient for some issues than others?

Although the functional quality has been defined to include the appearance and behaviour of the service employees in the interaction (Grönroos, 1982, 2008), adding the *personal dimension* enables a closer investigation of the importance of the service person in charge. In the presented model, the question word “who” refers to the person or persons at the provider's side who often play a crucial role in interactions. Exploring the personal dimension enables a better understanding of the experienced value by the customer as a result of the personal communication skills of the service person. Thus, the perspective is from the customer's side regarding who is representing the service provider for the customer in co-creation during interactions. Today's consumers expect and demand transparency, and many decisions are widely based on their experiences, not on one-way communication from a firm. Despite the advanced technology that allows customers more freedom to perform daily tasks on the Internet, the study reveals personal service still plays a role in a service relationship.

The model in Figure 10 presents the five dimensions of this thesis with the related question words. Following the purpose of this study, the aim is to explore how a family as a customer experiences co-created service value. The dimensions are used as platforms for a closer investigation of different entities of co-creation.



**Figure 10 Model for investigating customer's experienced service value**

Next, a customer unit perspective on value co-creation will be discussed.

### **3.2. A customer unit perspective on value co-creation**

Within the ongoing debate on value co-creation, the debate has mainly remained on who the co-creator of value is, the firm or the customer, whereas the customer has remained an undefined unit. This is especially the case in b-to-c service research, in which the focus on customers' systems is lacking (Voima *et al.*, 2011). Voima *et al.* (2011) present the term "customer ecosystem" to represent a focus on a customer's system and conceptualise the customer ecosystem as a perspective on service. According to the authors, the "customer ecosystem is defined as systems of actors related to the customer that are relevant concerning a specific service" (Voima *et al.*, 2011, p. 1). Besides persons as actors, the customer ecosystem may include providers from different industries, and the ecosystem is in constant change affecting the customer's value formation.

This thesis follows the recognition of a customer's own system that includes several actors. When Voima *et al.* (2011) include in the system persons and possibly several service providers, this thesis limits the investigation of a customer system to a family – consisting of parent(s) and children – and defines it as the customer unit under scrutiny. Other possible actors affecting the family's experienced value, such as friends or relatives, are excluded from this study.

This thesis argues that, to understand the experienced value of a customer, the discussion needs to be shifted more toward an exploration of a customer unit including several individuals as actors. Furthermore, this study argues some of the findings in b-to-b service research regarding networks and interaction levels (e.g. Håkansson and Snehota, 1989, 1995, and Holmlund, 2004) can be applied into b-to-c settings as well. The recent article by Vargo and Lusch (2010), "It's all b2b...and beyond," strengthens this view, as the authors state networks are dynamic systems and the contributions of b-to-b marketing – where networks have been studied – are applicable for b-to-c marketing as well. Moreover, Vargo and Lusch (2010) call for an *actor-to-actor* (A2A) perspective that points toward dynamic, networked, and systems orientation in value-creation. This thesis extends the actor-to-actor perspective by adding an actor-to-actors (A2As) perspective, shifting the focus on examining value experience among multiple actors within a customer unit. This is also in line with Voima *et al.* (2011) who argue the focus has rather been on a dyad, a single service provider's offering to a customer, or on a system consisting of multiple actors proposing value to a customer. In both cases, the customer has remained an undefined unit, and the proposed value has not been explored within the customer's own system. Even though many-to-many marketing has been discussed in b-to-c relationship marketing (Gummesson, 2008), to my knowledge, no earlier research has focused on experienced service value in a customer's own system, including individual vs. collective experience.

In this thesis, the service provider is a bank, and it is defined and explored as an actor, in singular. The customer unit is explored as a dynamic unit that includes several actors, in plural. The customer unit under investigation is limited to a family. Thus, the study widens the scope of the customer, traditionally seen as the person interacting with the bank, to include other family members as actors within a banking service context.

### **3.2.1. *Family as an organised behaviour system***

The customer's world has been of interest in marketing literature for many years. Alderson (1965, p. 26) described organised behaviour systems as "the entities, which operate in the marketing environment." The household and firm were the two organised behaviour systems that were in major focus in his thinking. In fact, the household was the most important organised behaviour system for Alderson, and the firm's role was a major subcomponent:

The household persists over time because of its expectations concerning future behaviour. These expectations must, on the whole, have positive value for the individuals making up the household. Their expectations concerning the desired patterns of behaviour are higher as members of the household than they would be otherwise (Alderson, 1965, pp. 37-38).

Alderson's thinking is interesting because he also argues that being a member of a household offers individuals a surplus that they could not expect to enjoy outside the system.

Also in psychological literature, Caprara and Cervone (2000) discuss families as interactive systems in which all family members influence one another from childhood through adulthood. From the service marketing perspective, the recognition of subsystems within a family (Caprara and Cervone, 2000) is interesting. These subsystems, or dyads, interact with each other. They are, for example, a mother-child dyad, a husband-wife dyad, or a father-child dyad. What is interesting for marketers as well is that, despite the sociological changes in society, such as new family forms, it is still possible to identify these dyads (Caprara and Cervone, 2000) that continuously interact with each other. Also, findings by Kiiski (2011) support this, as he states that, despite the guilty conscience divorced parents have for their children, 91% describe their relationship with their children to be good, and 75% is satisfied with their children's wellbeing after the divorce. Moreover, Caprara and Cervone (2000) identify a common theme across these subsystems, namely, the theme of internal support in a family: Parents support their children, and children take care of aged parents. As these supportive relationships are based on emotional ties and values and norms transmitted across generations, the link between generations distinguishes families from other social institutions (Caprara and Cervone, 2000). This is in line with the thinking of Alderson (1964), who says being a household member benefits an individual.

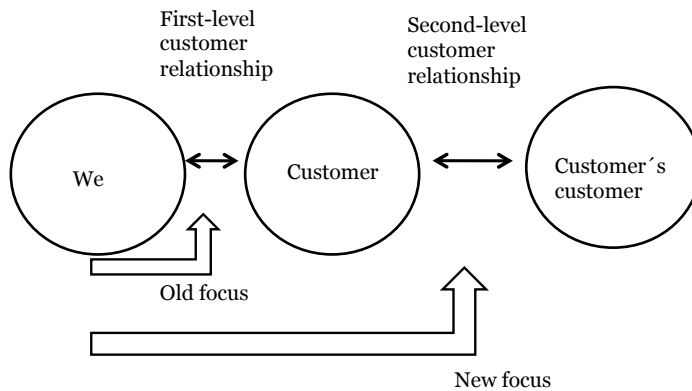
Despite the existing interest in service research regarding the household as a constellation of different actors, there is a lack of investigation on value co-creation and experienced value within the family as a unit. The interest has mainly remained on the interaction phase between a service provider and a customer that has traditionally been seen as the one who purchases. This thesis recognises a family represents a stable relationship with dynamic interactions. The study argues that, due to solid relationships, a family's experienced value is assumed to be more dependent on its different members than, for example, experienced value among friends on a weekend trip. This thesis proposes a deeper understanding of a family as a customer unit including several members as actors experiencing co-created service value. Next, a family as a customer unit will be discussed more deeply.

### 3.2.2. Exploring a family as a customer unit

In service marketing literature, CDL (Heinonen *et al.*, 2010) recognises a customer may vary from singular to plural and can be defined as a single person or a group of persons – for example, a family. In this thesis, the family under scrutiny is limited to a parent(s) and children. This subsection applies the perspective on what constitutes a dynamic customer system in b-to-b service marketing to b-to-c service marketing, as also suggested by Vargo and Lusch (2010).

When exploring the family as a customer unit, this thesis applies the customer system view of Normann (2001). Normann discusses a customer system in a b-to-b service when he describes the company's role in the customer's value creating process. According to him, true customer orientation means one must go beyond the direct relationship between the firm and its customers and try to understand the relationship between the customer and the customer's customers. He underscores the importance of moving from the first-level customer relationship to the second-level customer relationship. Further, he argues firms should move away from the traditional industrial view in which the customer offering is seen as the output of one's production system to a view in which the customer offering is seen as an input into the customer's value creating process. According to Normann (2001), the company should see the customer as the major stakeholder and mentally frame itself as part of the customer's business.

Figure 11 illustrates the shift from first-level to second-level customer relationship in a b-to-b setting, as described by Norman (2001).



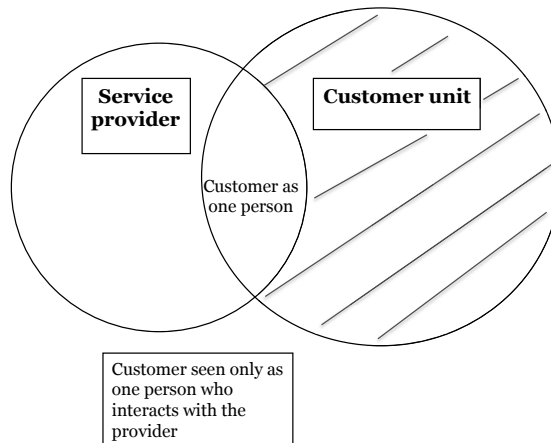
**Figure 11 Moving from a first- to second-level customer relationship (Normann, 2001, p. 71)**

This thesis takes inspiration from Normann's thinking and adapts the provider-customer relationship as a system into a b-to-c setting. But when Normann discusses the system from the provider's perspective, this thesis shifts the discussion more into the customer's world and shares CDL's interests, like Heinonen *et al.* (2010). Thus, this study explores experienced value in a customer's dynamic system in a b-to-c setting. More specifically, the investigation is on a family as a system in which family members as actors contribute to the experienced value of the family as a customer unit.

This thesis recognises the importance to a service provider of widening its understanding of the experienced value of a total customer unit. The study suggests a service provider should become acquainted with how value is experienced during the

interaction between the provider and an individual and beyond the one-to-one service episode, including other persons as actors in a customer unit.

Figure 12 illustrates how a customer in service research is traditionally defined as the one who interacts, whereas the different actors of a customer unit are overlooked and the experienced value of the total unit remains undefined. The lined area illustrates the area that is left unexplored. This thesis suggests the investigation needs to cover the whole customer unit, not just the visible person in the interaction.



**Figure 12** Moving from a single person as a customer toward a customer unit

### **3.2.3. Experienced service value of a customer unit**

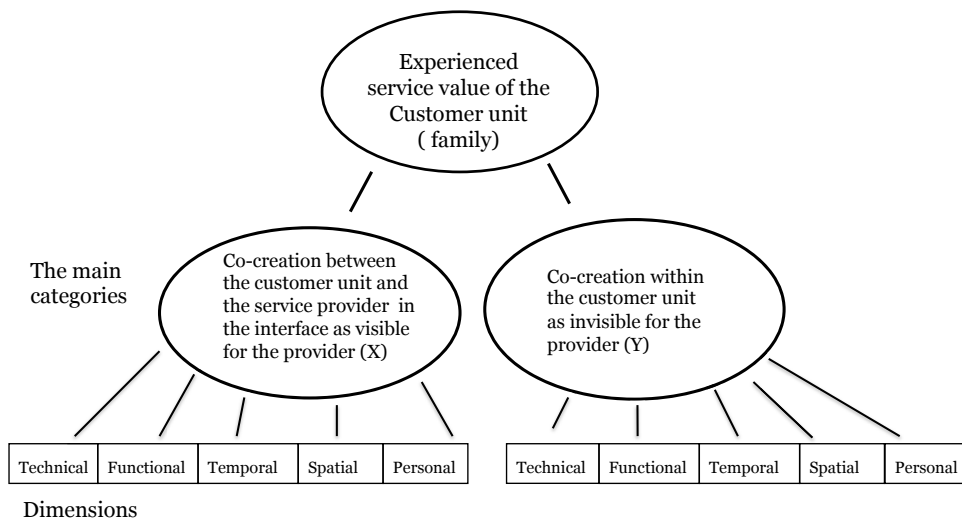
This section suggests a deeper investigation of the experienced service value of a family as a customer unit can be examined by utilising the earlier defined five dimensions. These five dimensions – technical, functional, temporal, spatial, and personal – can now be used as tools to widen the understanding of the experienced value of the customer unit. By including these dimensions, the focus shifts from a first-level customer relationship to a second-level customer relationship toward a customer unit as the system of interest. In other words, the focus suggested by Normann (2001) is transferred to a b-to-c setting where the unit of investigation is the family as a dynamic customer unit consisting of several actors. The interest is now on the interaction between the provider and a single person and between the different actors of a customer unit – the different family members.

By building the model further, a closer look at value co-creation between the different actors becomes crucial. Not only do family members co-create value with the service provider in an interaction but they also influence each other and co-create value. Phenomenologically, this study is interested in how one specific group, working mothers, describes families' experienced service value through co-creation. In other words, the service value experienced by the total family as a customer unit is interpreted through mothers. Hence, even though every family member experiences value individually, the interest is on the family's collective experienced service value. Because mothers are the interpreters, their voices represent individually experienced



service value in visible co-creation. However, in addition, collectively experienced service value of the family is investigated as invisible co-creation.

The presented model now illustrates how the experienced service value of the customer unit is a consequence of value co-creation that can be investigated through two main categories (Figure 13). The two categories are of equal importance, and they are described as follows. The first category is marked as X, and it illustrates value co-creation between the service provider and a visible person in the interaction. Category Y describes value co-creation between the family members related to a specific service. Hence, the model now includes the two main categories for exploring value co-creation by utilising the five dimensions. More specifically, this means that, to understand the experienced value of the total customer unit, the investigation of the different entities of service value co-creation of both of the categories becomes essential. The five dimensions are now used as platforms for exploring, in more detail, value co-creation leading to the experienced value of the customer unit.



**Figure 13 The experienced service value of a customer unit is a consequence of value co-creation in two categories.**

This model indicates the importance of understanding different entities of value co-creation between the different actors. The model illustrates the need for a service provider to become better aware of the value co-creation among the provider, an individual, and the family members within the unit. Thus, there is a shift from a dyadic investigation of value co-creation between the provider and a single, or undefined customer, toward a customer unit consisting of multiple dyads that co-create value. Next, the importance of exploring multiple dyads within a family will be under scrutiny.

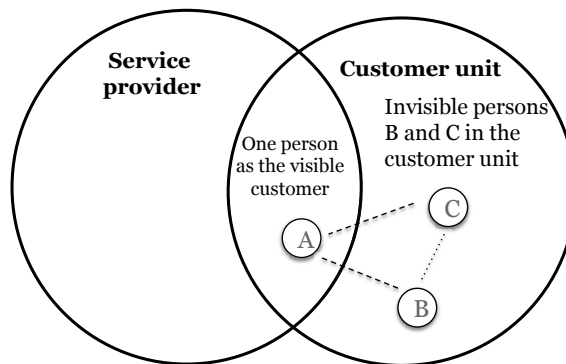
### **3.2.4. Family dyads under investigation**

Because this study is limited to explore a family as a customer unit, the focus is on parent(s) and children. For further research, the networks extending outside the family are suggested, though this study excludes them. It is worth noting that, though families as social networks have been investigated in service research, the focus has remained on family purchasing behaviour processes (Björk, 1993, Levy, Murphy, and Lee, 2008,

Gram, 2010), often focusing on the dyadic level of analysis (Su, Fern, and Ye, 2003, Gaumer and Arnone, 2010). Thus far, the focus has not been on investigating experienced service value in a family setting constituting a social network, as is the case in this study. This thesis recognises and follows the earlier recommendations for further research within family research expressed by Epp and Price (2008), who argue that, typically, the unit of analysis in a family setting is a single dyad within the family. The authors state there is a need to expand research beyond this level of analysis. Anderson and Sabatelli (1992) state one of the best ways to understand the family unit or a system as a whole is to assess multiple dyads within the family as the unit of analysis. Following the recommendations of the scholars, this thesis explores the multiple dyads within a family.

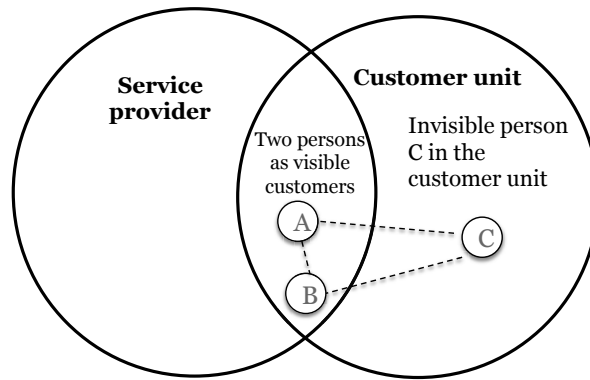
The customer is usually seen as one person in an interaction with the service provider, and often the focus is on the service encounter and the employer's role within it (Warhurst *et al.*, 2000). This thesis argues the provider traditionally sees the person who is somehow visible in the interaction – either physically or non-physically, for example, through email – as a customer. The invisible persons who are not actively present in the interface are often neglected. In this thesis, the interactions are investigated through the interpretation of the mothers as respondents, and thus, the mother is always present in a described dyad when interaction occurs. Next, different dyads under investigation will be discussed through examples.

The following three illustrations present the different dyads under investigation. In the first illustration (Figure 14), only the mother (A) is of interest for the bank, as she is the only one actively present in the situation. Yet, all other dyads between family members A-B-C are neglected, as they are not visible for the provider in the interaction.



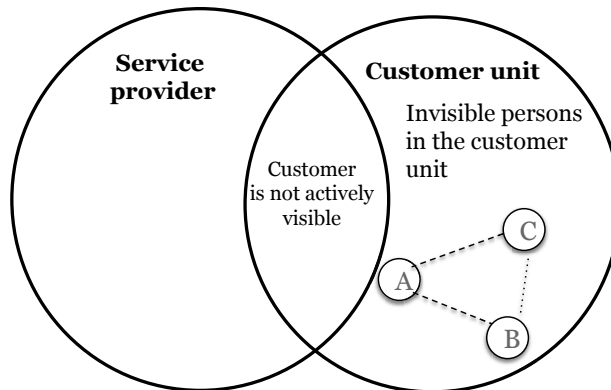
**Figure 14 One visible person in the interaction**

Occasionally, it might happen that the wife-husband (A-B) dyad is present if the husband (B) is, for example, taking part in loan negotiations at the bank simultaneously with the wife (Figure 15). But the multiple wife-husband-child dyads (A-B-C) are missing because the child (C) is not recognised, and the understanding of the total customer unit is incomplete. Similarly, a child may be present at the bank with the mother, but the child's father or siblings remain invisible.



**Figure 15 Dyads are only partly visible**

The third illustration (Figure 16) presents a situation in which the bank has a passive relationship with the whole customer unit, as it is not actively interested in any of the persons within it. This is, for example, the case when the mother is not actively in contact with the bank, and the bank is neglecting to contact her. All individuals, and dyads between them, remain invisible for the bank.

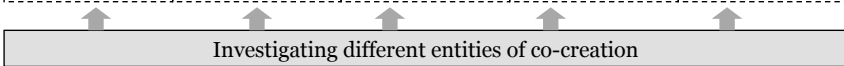


**Figure 16 The customer remains invisible**

As defined in the gap of this thesis, there is a need for a shift from a dyadic relationship between the provider and customer to discovering the multiple dyads in the customer's life. Thus, the investigation of co-creation should be twofold, covering both the visible and invisible interactions of a customer unit. This thesis suggests the experienced service value of a customer should be examined, not only following an A2A perspective as suggested by Vargo and Lusch (2010), but also including an A2As perspective.

The following Table 6 summarises this chapter's discussion and presents the conceptual framework exploring a customer's experienced service value in this thesis. The experienced service value is investigated as a consequence of different entities of co-creation through the five value dimensions, namely the technical, functional, temporal, spatial, and personal as platforms. The conceptual model will be utilised and widened when analysing the empirical data for this thesis in Chapter 5.

**Table 6    The customer's experienced service value as a consequence of different entities of co-creation**

Dimensions	Experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
	What	How	When	Where	Who
					
Investigating different entities of co-creation					

## 4 RESEARCH METHODOLOGY

Methodology in this study is defined as the approach to the research topic (Silverman, 2010:8) by using qualitative methodology. This thesis's research method takes inspiration from ethnography as a method that aims to gain knowledge regarding how a specific group of people interacts with the environment. The ethnographic methods consisting of observations and interviews will be presented closer to the end of this chapter. This study's validity and reliability are discussed separately, followed by the presentation of the data analysis at the end of the chapter.

### 4.1. Methodology

Methodology can be defined as a general approach to study a chosen research topic (Silverman, 2010), and it is the research question that defines the type of the research setting and the choice of methods, not vice versa (Eriksson and Kovalainen, 2008). As methodologies can be defined either broadly (e.g., quantitative vs. qualitative methodologies), or narrowly (e.g., case study or ethnography) as stated by Silverman (2010), I will discuss the choices for this thesis, first according to the former and then according to the latter. That discussion will then be followed by the description of the chosen methods for the data collection of the thesis, namely observations and personal interviews.

Not everything that can be counted counts and not everything that counts can be counted.

- Albert Einstein (Patton, 2002)

Qualitative research is often described in contrast to quantitative research, as it is easier to compare them than define them (Eriksson and Kovalainen, 2008). Silverman (2010) stresses how the choice between these two should depend upon what one is trying to find. He emphasises the importance of objectivity in social science instead of going to the discussion of good/bad or right/wrong when choosing methodology, since the aim of both qualitative and quantitative methodology is to produce knowledge. Selecting a method that is appropriate for the research question is more important than deciding whether to favour quantitative or qualitative research. My work's choice of qualitative research follows the major interest of qualitative studies in understanding reality as socially constructed and produced and interpreted through cultural meanings, as stated by Eriksson and Kovalainen (2008). Further, in my research, I find interesting the categorisation introduced by Tesch (1990), namely, discovery of regularities as being inspired by ethnography and discerning meaning by following phenomenology and hermeneutics. The following section will discuss the role of ethnography in my study.

#### 4.1.1. Ethnography in this study

The notion of culture is central to ethnography, as the Greek word *ethnos* means "a people" or a cultural group. Ethnography, the study of *ethnos*, was the primary method of anthropologists, who argue that, to understand a group of people or a culture, one must engage in an extended period of observation (Patton, 2002).

The importance of understanding culture, especially regarding change effects, is the cornerstone of so-called "applied ethnography" (Patton, 2002), as currently, the field

sites of ethnography can be found in several places, including familiar settings nearby and in informal organisations in which researchers can take part in their own language (Eriksson and Kovalainen, 2008). Since the 1980s, the importance of understanding culture has become essential in organisational studies as well (Patton, 2002). In my research, I am inspired by, rather than follow purely, any specific type of ethnography, because the thesis follows the intention of ethnographers to observe and interpret how people interact with each other in their own environment (Eriksson and Kovalainen, 2008).

According to Eriksson and Kovalainen (2008), ethnographic research often begins with participant observation, which is later complemented by interviews. My living among the working mothers and observing their hectic, everyday lives inspired my research. This setting provided, first partly unconsciously, a background for my research interest, as it created pre-understanding of this specific group. Thus, this interest group consists of working mothers, referring to mothers who have a full-time job outside their homes, a choice established from my own background.

During my literature review, I became interested in how experienced value in a customer's life is affected by the life around oneself, and I developed my research question with this in mind. For example, for a mother with young children, the service provider's simple-sounding request to "just to come to our service point between 4 and 6 p.m. and we will look into it," means reorganising the normal daily routine: when to pick up children from day care and whether to take them to the bank, because hungry, tired children at the bank would be a nightmare for everyone present.

While I was formulating the research purpose, I speculated whether it is possible for a female researcher to recognise and understand things a male researcher would not recognise. Some characteristics from feminist standpoint theories (Potter, 2000) are included in my work, as those theories focus on gender differences, which can give a scientific advantage to those who can use the difference. My assumption was that, being a female researcher and a working mother, I could understand the busy daily life of women better than a male researcher. Simultaneously, I needed to be mindful of not focusing on things I expect to hear but go beyond it. I also needed to be aware of the challenges of epistemological otherness (Fawcett and Hern, 2004) between the researcher and the researched, since there most probably would be some persons I could easier associate with than others, and this should not affect my objectivity as a researcher. This could be best avoided by the awareness and critical questioning of my own assumptions and writing my feelings in my research diary during the collection of the empirical data during and after the empirical phase of my study so I could reflect on it throughout the whole research process.

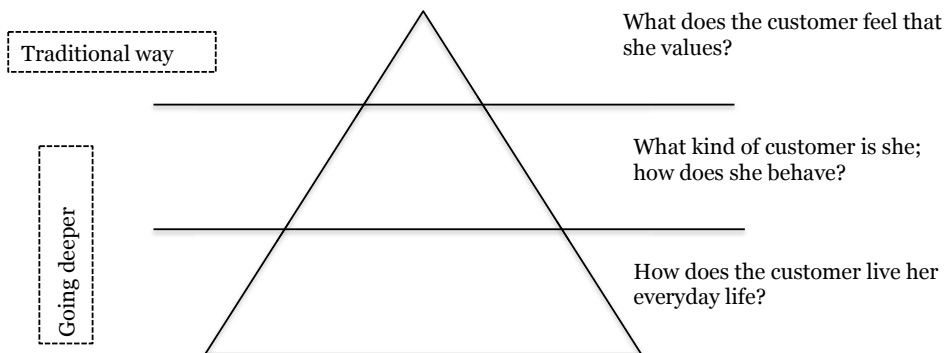
According to Eriksson and Kovalainen (2008), ethnographers need to learn how to interact with the people in the field and how to take useful, reliable notes. In my research, I felt my understanding of working mothers' lives grew throughout the process, as I was involved in many of the activities the mothers took part in during my research process.

#### **4.1.2. Methods**

The research methods of data collection in this study will be clarified in this section, whereas the principles for data analysis will be discussed in Section 4.3.

The methods used in this thesis explore a customer's experienced value as part of hectic, everyday life. Today's customers are increasingly active and demanding as they expect flexibility, real-time information, and often customised solutions. But companies should not just focus on customising their operations to individual customers based on the amount of the gathered data, which can be enormous. Instead, the focus should be on increasing understanding of how to support experienced service value within the customer's everyday life.

Rather than using methods that ask direct questions about a customer's perceptions of a service by asking "what," the goal of this thesis is to use methods that offer insight into the customer's life and explain possibilities for potential company involvement within it. By understanding the customers' logic, a firm can get a stronger role in increasing customers' experienced service value. Of course, this means better understanding of co-creation possibilities with different customer groups to gain mutual benefits. Figure 17 illustrates the need for a deeper understanding of a customer's life. Traditionally, marketing research questionnaires have focused on the surface by asking directly what the customer thinks she values. By expanding the depth of the research, it will be possible to discover things the customer might not realise. This demands the researcher take the role of a listener, not propose questions with multiple readymade alternatives to choose. By doing so, it will be possible to discover things that, in combination, affect the experienced service value of the customer.



**Figure 17 Deeper way of understanding the customer's everyday life context**

#### 4.1.2.1. Observations

Observation is the most often used method for ethnographic studies, and as mentioned earlier, this thesis included observations of the everyday life of the target group followed by personal interviews. For ethnographers, the field is a cultural setting, and a personal contact with the setting brings several advantages, as understanding the context is essential for creating a holistic perspective (Patton, 2002). Throughout the research process, I felt living as a part of the observed culture, the firsthand experience with the people in the setting, allowed the inquiries and discussions to be open and inductive, as also noted by Patton. This also enabled me as a researcher to see things people would easily see as routines not worth mentioning or uninteresting. This accords with Patton, who states the impressions of the observer become part of the data

analysis, and the observer gathers information that goes beyond what can be fully recorded. For my research, this meant that, being a participant observer regarding the daily life experiences of the target group, I could utilise the insider perspective, *emic*, of the daily actions and experiences, as Patton describes. As a participant observer, I could also feel what it was like to be a part of the culture in contrast to an observer with outsider perspective, *etic*.

Due to the longitudinal aspect of ethnography, I had several spontaneous possibilities for observations regarding the everyday challenges with working mothers during my research period. In case I gained important data for my research, I took pictures to illustrate everyday life and used them in the study to increase my understanding of the different situations mothers often face in their busy lives. The pictures include, for example, situations when mothers take part in different sports activities with their children as team leaders or voluntary workers. I made field notes mentioning the dates and activities in each picture. As ethics in ethnographic research is challenging because many of the participants build a relationship with the researcher during the process (Eriksson and Kovalainen, 2008), I decided not to include the pictures in the final report. This follows the principle in all research to protect the participants and guarantee anonymity to all who wish for it to make sure the research does not harm any of them (Eriksson and Kovalainen, 2008). This was especially important in my study, as the pictures included minors. All these observations strengthened my total understanding of everyday actions and experiences as I observed how mothers often participated in the children's activities and hobbies outside school and were involved in school-related issues. This is in line with Eriksson and Kovalainen (2008), who state ethnographers often start their research with general interest in a group of people and the research problem can even be redefined during the process. Furthermore, the theoretical frame of this study was based on the findings of the literature review on value co-creation, because theory is important in ethnographic research in generating guiding questions and allowing larger questions about how culture works among diverse groups of people (Eriksson and Kovalainen, 2008).

The observations were used to increase my understanding of the everyday life and experiences of the target group, whereas the interviews were conducted to explore a customer's experienced service value in a banking context. During field studies, when conducting interviews, I had the possibility to observe negotiations between an interviewee and two banks. These observations will be discussed more in detail as part of the data collection and analysis. Next, I will discuss the role of the interviews as an important data collection method in this thesis.

#### 4.1.2.2. Interviews

If you don't ask, you don't get.

- Mahatma Gandhi

In this thesis, the qualitative interviews were used to produce empirical primary data that would help to find answers to the research question through careful analysis (Eriksson and Kovalainen, 2008). The interviews included characteristics of emotionalism, since the aim was to generate data that gives insight into people's authentic experiences (Silverman, 2010). As the interviews were semi-structured and allowed the conversation to flow in several directions, characteristics of the constructionist approach focusing on how phenomena come to be what they are through the close study of interaction (Silverman, 2010) were present. Further, by



following Silverman, this means the interviewees can have multiple aspects about themselves in different contexts, for example, as a mother, spouse, or working professional in my study, and actively create meaning in the interaction. Thus, the interviews in the study included both “what” and “how” questions, including the characteristics of an active interview, as argued by Holstein and Gubrium (1995).

Interviewing has a wide variety of forms, which can be structured, semi-structured, or unstructured. While the aim of structured interviews is capturing precise data, unstructured interviewing attempts to understand complex behaviour without prior categorisation that would limit the inquiry (Fontana and Frey, 1994). In my study, I followed a prepared outline of issues to be discussed with the possibility of varying the order or wording in each interview, which allowed me a somewhat systematic approach and an informal setting. The process behind the data collection will be explained in the following sections discussing the selection of the respondents and conducting the interviews.

#### **4.1.3. Selection of the respondents**

According to Silverman (2010, p. 192), many PhD students ask themselves the question, “How many interviews do I need?” and states that, instead of worrying about insufficient data, the answer lies in the research problem.

As qualitative inquiries focus on relatively small samples, including even single cases (N=1), the samples are typically selected purposefully in contradiction to quantitative methods, which use randomly selected larger samples aiming for confident generalisations in a larger population. The logic behind purposeful sampling lies in the selection of information-rich cases from which one can learn a lot about the issues of central importance to the inquiry, thus, the term “purposeful sampling” (Patton, 2002, p. 230).

Denzin and Lincoln (1994) state different sampling issues arise in each situation and every instance of a case or process bears the stamp of the general class of phenomena to which it belongs. According to Gläser and Strauss (1967), many constructionists as qualitative researches employ purposive sampling models and seek groups and individuals where (and for whom) the process being studied is most likely to occur. Silverman (2010) discusses purposeful sampling as synonymous with theoretical sampling, as the qualitative researcher follows a theoretical, not statistical logic, and quotes Jennifer Mason (1996, pp. 93-94): “Theoretical sampling means selecting groups or categories to study on the basis of their relevance to your research question, your theoretical position.”

Silverman (2010) states it is not uncommon for qualitative researches within ethnography to utilise their existing relationships for the research. He discusses how drawing upon existing contacts simplifies access compared with trials to enter new fields with time-consuming negotiations or possible gatekeepers. The interviewees in this thesis were recruited using a network of acquaintances used also by Gwinner *et al.* (1998).

The aim of the selection in this thesis was to gain a deeper understanding of the everyday life of working mothers. Summarised in Table 7, the sampling criteria were the following:

- A mother with a daily job outside the home.
- The majority of the children should still be living in the household.
- The sample was narrowed to represent southern Finland, with a main focus on the metropolitan area where the researcher lived to utilise the ethnographic aspect of the researcher.

**Table 7 Sampling criteria**

Criterion	Motivation
Mother who has a daily job outside home: working mother	The daily life of working mothers is hectic and full of timetables and tasks.
Majority of the children still living in the same household.	The influence of the children sharing the same household is big on a mother's daily life and experiences.
Geographical area: southern Finland, main focus on the metropolitan area.	Narrowing down the respondents to meet the ethnographic everyday aspect of the researcher.

In qualitative research, several terms are used to describe interviewees, such as informants, participants and respondents. I have chosen to use the term respondent to describe the people interviewed in my study, as Silverman (2010) uses this term in qualitative research. The respondents were recruited directly by the researcher either in a face-to-face contact during normal daily routines, for example, when bringing a child to school or a hobby, or by telephone or email. During the recruit phase, the respondents were giving brief information regarding the empirical study. It was explained that the study was part of a PhD project exploring how working mothers live their daily lives and the interest would be in their experiences with banks. No preparations would be necessary from the interviewee's side. When a person agreed to join the study, a proposal for a convenient time and place was agreed upon within the coming two weeks. The respondents were all eager to take part and showed interest in the research topic.

The sample consisted of a somewhat homogeneous group of consumers due to the researcher's own ethnographic aspect. It can be best described as a homogenous sample (Patton, 2002), the purpose of which is to describe a particular subgroup of people in depth, in this thesis, working mothers. To avoid the risk of the researcher being too personally involved with people who have a similar lifestyle that might influence objectivity (Silverman, 2010), respondents with different education levels, professions, and marital statuses were asked to participate. The professions represented in the sample were, for example, dentist, teacher, business consultant, nurse, marketing professional, entrepreneur, graphic designer, and lawyer. Regarding marital status, the sample consisted of married, divorced, and single mothers. The backgrounds of the respondents regarding ages, their children, and interview lengths are presented in Table 8. The professions and marital status are not included in the table to protect the anonymity of the interviewees, as some of them might be familiar

with each other. The professions and marital status are here reported mainly to give a better overview of the sample.

**Table 8 The ages of the respondents and their children, and the interview lengths**

Code	Age (years)	Ages of the children (years)	Length of the interview
Person A	45	14,16	85 minutes (pilot)
Person B	35	6 months, 3,4	60 minutes (pilot)
Person C	44	5,8, 10	60 minutes (pilot)
Person D	45	9,14,16	50 minutes
Person E	51	15	60 minutes
Person F	41	9,12	40 minutes
Person G	47	12,14, 23	45 minutes
Person H	44	17,19	35 minutes
Person I	46	12,14,19	45 minutes
Person J	51	11, 12	50 minutes
Person K	40	7,13,15	40 minutes
Person L	37	5,9, 11	40 minutes
Person M	38	2,7,9	35 minutes
Person N	45	14,16	Two observations: 1) 15 minutes telephone interview, 1 hour observation, two telephone interviews, a 15 minutes 2) 15 minutes telephone interview, 1 hour observation followed by a 20 minutes interview

#### **4.1.4. Conducting interviews**

The interviews were conducted in three different phases. The first three pilot interviews took place in May 2010. They were followed by three more personal interviews and two observations in a banking setting in June 2010. The third phase including eight more interviews took place from December 2010 to March 2011. The three pilot interviews included a question regarding experiences using a mobile device, but this question was excluded from the study since I felt respondents became tired toward the end and it

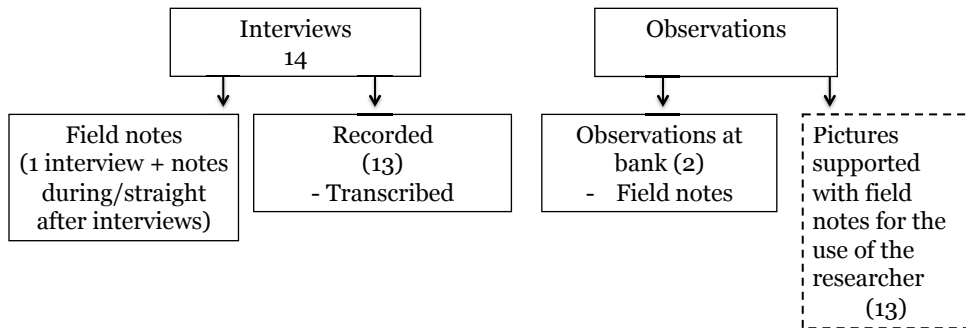
was difficult for them to make a distinction between a mobile device and a mobile operator. Besides, I felt that question wasn't relevant to the study; excluding it would allow a clearer focus on banking service. The question revealed, however, that the area would be an interesting research topic, especially concerning managerial implications, as the area of mobile services seemed to be blurry for the users.

All the interviews were conducted face to face in a café, a meeting room at the respondents' office, or the home of the interviewer. A relaxed, undisturbed atmosphere was important. All the interviews began with a brief explanation of the study. Respondents were asked their permission for recording, and they were promised anonymity. One of the pilot interviews was based on careful field notes due to equipment malfunctions. During the interviews, I was aware of the challenge of covering all the topics and used the guided questionnaire (Appendix 1) as a checklist. The respondents were given the opportunity to talk freely about the issues that they found important under each main topic. The aim was to collect primary data by interviewing and observing (Eriksson & Kovalainen, 2008) to yield first-hand descriptions of the everyday lives of respondents and contextual details regarding their banking experiences. Besides the interviews, I made field notes during the interviews to ensure I captured the most important details, allowing the voices of the interviewees to be heard. I sometimes made field notes right after the interview, for example, when returning to my car if the respondent had mentioned something important when leaving the interview.

In this thesis, the conceptualisation and empirical study were carried out simultaneously. The conceptual framework is based on the findings of the literature review, and it was used for the planning of the interview guide. The semi-structured, conversational interviewing style with open-ended questions encouraged the respondents to speak personally and focus on the issues that they found most important (Silverman, 2010). Simultaneously, I needed to ensure the interviews were interesting and purposeful for my research. In practise, this meant being a good listener who is not giving leading questions, or as pointed out by Silverman (2010), not posing my research question directly to the participants, which might affect their way of answering. I also needed to be aware when to move to the next question. Each interview's length was not determined beforehand, and it ended when the respondents had nothing further to say and I felt that there would not be a need to go deeper. Working simultaneously with the theoretical concept enabled me to understand the importance of avoiding normative questions since the answers to the research question will be a result of a careful analysis of the data.

The strength in ethnographic field studies is the ability to give rich descriptions of social settings (Silverman, 2010). The phenomenological research approach attempts to understand how individuals experience a phenomenon. In my study, 14 respondents were seen as an ample sized sample, as the last interviews no longer provided new insights, indicating that the saturation point had been reached. I obtained a rich amount of versatile qualitative data that enabled me to identify distinctive categories and sub-categories. It would have been possible to enlarge the sample, but the ethnographic aspect of the research, including informal discussions throughout the study, enabled me to realise I had found things that I had expected and gone beyond them.

Figure 18 summarises the data in this thesis.



**Figure 18** Collected data for this thesis

## 4.2. Evaluating the quality of the study

### 4.2.1. *Validity of the study*

“Validity” is another word for “truth” (Silverman, 2010, p. 275). It is a criterion that refers to the extent to which conclusions drawn in research give an accurate description of what happened; it means the findings are true, certain, and represent a phenomenon backed by evidence. In qualitative research, validity can be reached through reflexivity that relates to interpretations done during the research process, and further, it can be defined as a means to critically inspect the research process (Eriksson and Kovalainen, 2008).

Silverman (2010) discusses ways to strive for improved validity in qualitative research. As one solution within ethnographic field studies he encourages method triangulation by combining different ways of looking at the situation. As this thesis includes both observations and interviews, I will discuss the validity and reliability with regard to both of them. According to Stewart (1998), a longer relationship between the researcher and the respondents improves the validity of ethnographic studies. As in my research, the observations of the everyday life of the target group were an inspiration before and during the research process; the “interpretivist” perspective (Patton, 2002) inspired me to a deeper understanding of a specific group within a particular context rather than hypothesising about generalisations across time. I felt that, during the observations and the conducted interviews, the fact that the persons knew me created a feeling of trust.

The interviews were conducted and transcribed in Finnish, which is my mother tongue. The transcriptions were analysed by using the original texts, and my belief is that there are no changes in meanings between the original discussions and written language that could be possible in case the text was translated (Patton, 2002). Since the aim of the interviews was to produce analysis of the content, not interpret text exactly word-by-word, my translations of the quotes that are used to illustrate meanings can be argued to be on a sufficient level. Even one of the pilot interviews was based on careful field notes instead of recording; it could be included in the analysis because the aim of the research was in finding meanings, not in analysing the text word by word. Further, as I

conducted all the interviews, the spoken language with possible hidden meanings was present in the analysis.

#### **4.2.2. Reliability of the study**

“Reliability” refers to the degree of consistency with which instances are assigned to the same category by different observers or by the same observer in different occasions (Silverman, 2010, p. 290). Interpretative research is recognised for its value in providing contextual depth but simultaneously is often criticised regarding validity, reliability, and generalisability in terms of research legitimisation (Kelleher, 2005). But legitimisation of an interpretative study can be improved by using multiple methods as an approach to a problem (Denzin, 1970), and in qualitative research, findings can be strengthened by combining interviews with observations (Hammersley and Atkinson, 1983).

According to Silverman (2010), the researcher must be able to show the procedures he or she has used to convince the audience the methods are reliable and the conclusions valid. For reliability in qualitative research, this means for the researcher a documentation of the procedure and that the above-mentioned categorisation of instances has been used consistently.

In an abductive study, as in the case of this thesis, the documentation of the procedure and a careful categorisation makes it possible to track down the different steps. As this research takes inspiration from ethnography, in which replication is impossible (Stewart, 1998), the reliability refers to the careful physical data, the transcripts, open to external inspection and reanalysis, as recommended by Yin (1994).

The following section discusses the analysis of the empirical data.

#### **4.3. Data analysis**

This section opens the way to conduct the analysis of the empirical data. First, the observations regarding the everyday life of the target group will be discussed; thereafter follows the interview data.

The photos that were taken during the research period were used to strengthen my understanding and serve as a reminder of the everyday life challenges of the working mothers. During my research, I returned several times to the visual material that I kept on my computer. Although I had participated in the situations where the pictures were taken, my understanding of the different tasks of mothers increased through the pictures. I discovered the pictures represented mothers’ responsibility and care for the children, which mothers referred to in the interviews. This responsibility was strongly expressed in the following quote by one of the mothers:

Even though we share different tasks with my husband, I feel that I have the final mental responsibility of everything concerning our family. I would not like to be such a control freak but if I’m not, where are the children? I would like to give some of my responsibilities to others but no one is willing to take them.

The same notification of the feeling of responsibility could be discovered in the pictures illustrating, for example, mothers participating in their children’s sports activities as volunteers or being responsible for organising a child’s party.

During the analysis, I noticed how the combination of the different sources of data deepened my understanding of the life situation of the target group. The question in the interview guide regarding the description of the everyday life situation of the respondents provided me with valuable information of their different responsibilities and tasks.

As my thesis follows the philosophical position of interpretivism with its background in phenomenology, I followed phenomenological procedure to reveal the experiences as they really are (Ritzer, 2005). I found the data analysis following the phenomenological approach discussed by Goulding (2005) to be suitable for my work. Goulding describes the importance of interpretation; the researcher should read the transcripts several times to arrive at a holistic view. I also followed the recommendation by Coffey and Atkinson (1996, p. 9), according to whom analysis is “the systematic procedure to identify essential features and relationships.” Next, I will explain more in detail my way of analysing the data through interpretation.

The data storage on my computer included the audio records, their transcripts, and field-notes. Each respondent was coded; for example, Person G, date, time, and place. I started by reading the transcripts and related field notes several times. The transcripts of the interviews were in line with the recommendation by Thompson, Locander, and Pollio (1989), who argue the ideal format occurs when the interviewer uses short, descriptive questions and clarifying sentences providing an opening for the respondent’s more detailed answers.

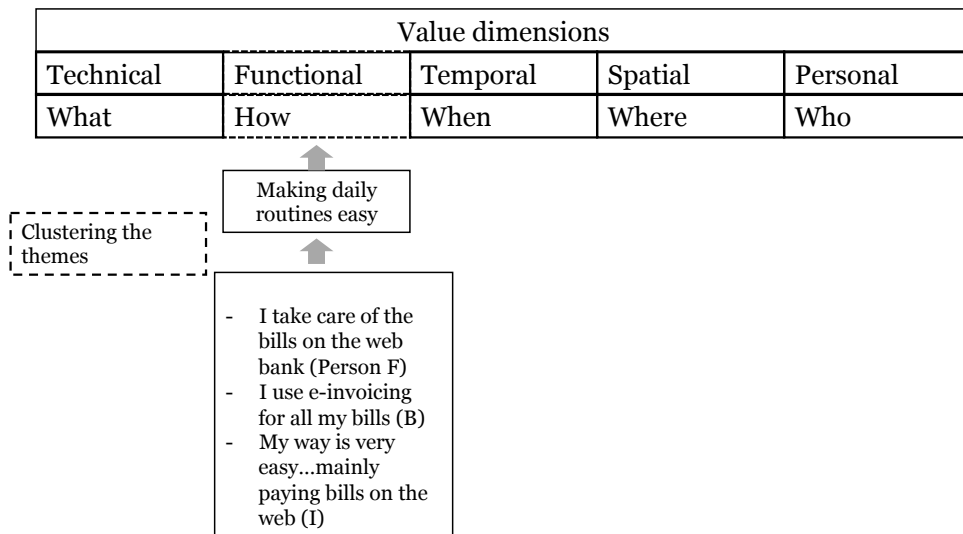
The next step, “extracting significant statements,” required me as a researcher to identify key sentences and terms related to the phenomenon under study (Goulding, 2005). The process followed Goulding’s argument that the goal of phenomenological investigation is to describe the lived experiences rather than focus on conceptually abstract terms. In my research, it was important to use the respondents’ own terms to stay on the level of the lived experience (Goulding, 2005). Following this, the study presents the authentic quotes of the respondents carefully translated from Finnish to English to give the reader an understanding of the used expressions and terms and be honest to the respondents’ voices.

The next step was to formulate meanings for the identified terms and expressions in the stories of the different respondents. To identify themes, I first constructed summaries of each interviews by following carefully the same structure and wording. By rewriting the interviews, the interviews became comparable and resulted in a rich description of the phenomenon under study including the identified themes. Thereafter, I started to cluster the identified themes.

At this point, the developed theoretical framework was used as a model to complement the inductive reasoning process of the study. Thus, the abductive reasoning worked through interpretation and re-contextualising individual phenomena in a certain context (Kovács and Spens, 2005), including both deductive and inductive reasoning. More specifically, I noticed how it was possible to reduce the themes into an essential structure (Goulding, 2005) of the five earlier defined dimensions of the study: the *technical*, *functional*, *temporal*, *spatial*, and *personal* with the help of the question words for each dimension: “what,” “how,” “when,” “where,” and “how.” (These dimensions will be discussed more in detail in Chapter 5 when I present the categorisation model for different entities of co-creation.) In practise, I used excel sheets to cluster the themes following the above mentioned dimensions with the related question words. I started from more detailed data and used different colour codes for

identification. I then moved into clustering the themes and reducing them to an essential structure, as illustrated in Table 9. As guidelines, I used the question words for each value dimension as topics for the five columns. For example, in the column “how” illustrating the functional dimension, I first marked the identified themes regarding how the respondents described the easy way of paying the bills on the web. This example is related to the category “individually experienced service value in visible interactions.” I then coded the markings according to the respondents (like F, B, or I) whose specific answers were gathered under this theme. Next, I clustered the themes under a common topic, say, “Making daily routines easy.”

**Table 9 Clustering the themes to an essential structure**



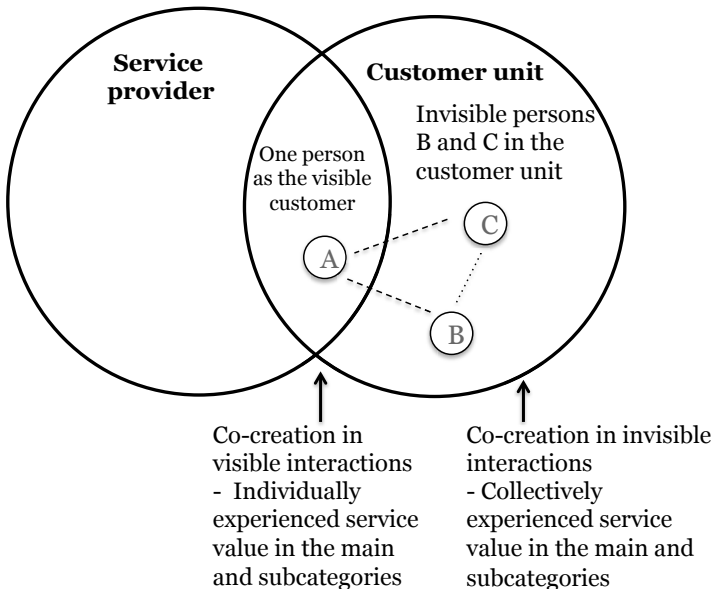


## 5 MODEL OF SERVICE VALUE CO-CREATION ENTITIES

This chapter presents a categorisation model for investigating different entities of service value co-creation. The empirical study responds to the purpose of this thesis, exploring how a family as a customer experiences co-created service value. The findings bring new insight into the on-going discussion on co-creation and encourage further research on value co-creation within service research.

This chapter widens the scope of the customer, traditionally seen as one person, to include several individuals forming a customer unit under investigation. The empirical part explores value co-creation between a bank and a family – defined as the customer unit – and shifts the discussion toward an actor-to-actors perspective. Empirical analysis indicates that experienced service value is a consequence of both individually experienced service value resulting from co-creation in the provider-customer interface (A), and collectively experienced service value resulting from multiple co-creation processes among various actors within a customer unit (A-B-C). Analysis shows the need for a shift from focusing merely on dyadic interactions to covering multiple dyads within a customer unit. Thus, the terms “individually” experienced and “collectively” experienced service value are added to the discussion on service value experienced because of co-creation (Figure 19). Furthermore, individually and collectively experienced service value is investigated through entities grouped into main and subcategories, as this chapter illustrates.

It is important to note service in this study is not limited to a specific episode between the provider and a customer. Rather, service is investigated as a more longitudinal aspect in visible and invisible interactions in a relationship. The respondents were not asked to describe a specific incident with a bank but rather to discuss their experiences in a banking relationship.



**Figure 19 Individually and collectively experienced service value**

This study explores value co-creation through the interpretation of the mother as part of the family representing a customer unit. Empirical analysis demonstrates how the working mother interviewees discussed their service experience both as something between them and the bank and as a more holistic experience including members of their family who were not always visible to the bank. Hence, the main categories in visible and invisible interactions emerged from the data as the respondents used both “me” and “us” when describing their everyday lives and banking services. This indicated a need to examine main categories for both individually and collectively experienced service value. The categorisation presented in this chapter includes two levels: main categories and subcategories. In the model, main categories are similar, whereas going beyond them enabled discovery of differences in the subcategories.

Despite the attempts to define the nature of co-creation being positive and negative by using the different terms “co-creation” and “co-destruction” (Plé and Chumpitaz, 2010, Echeverri and Skålén, 2011), this thesis does not make a distinction between these terms but rather argues co-creation can lead either to positively or negatively experienced service value. In other words, co-creation either adds value or diminishes it (or in some cases value remains neutral if the customer feels that there is no reason for a change). In this study, co-creation is not a result or a benefit, but a process encompassing entities that express experienced service value in visible and invisible interactions. Various entities lead either to positively, negatively or neutrally experienced service value. Negatively vs. positively experienced value emerged from the interviews and enabled a closer examination of contrasting views. For example, the functional dimension is described either as efficient or inefficient, illustrating whether respondents feel that the process runs smoothly, without any unexpected inconvenience, and enables everyday issues to be solved efficiently. Positively experienced value emerges when a respondent indicates that she is satisfied with the co-creation process. Negative value arises if the respondent expresses dissatisfaction with co-creation; say, co-creation did not lead to a desired result or, in the worst case, led to a change of banks. Neutral value indicates that co-creation neither added nor diminished value for the respondent; for example, receiving letters from the bank that the respondent did not have time to read. The categorisation model at the end of the chapter is based on the twofold approach of positively vs. negatively (or neutrally) experienced service value.

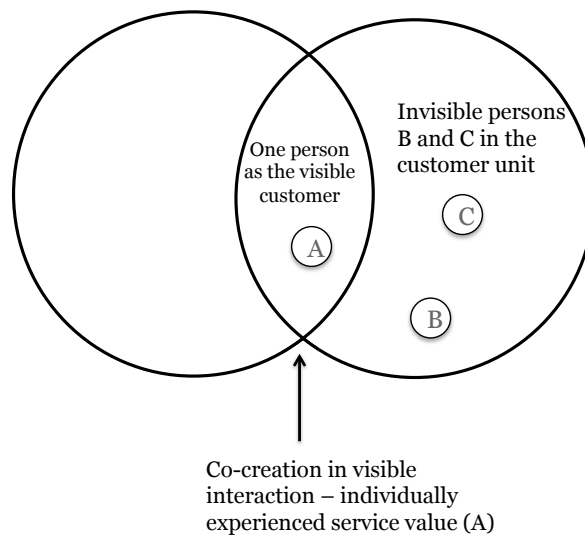
This chapter is outlined in the following way. In the first section, value co-creation in the visible interaction between the mother and the bank is under scrutiny. Value co-creation is explored by utilising the five dimensions – *technical*, *functional*, *temporal*, *spatial*, and *personal*. Although the dimensions are inevitably intertwined, they are in this thesis separated to enable a less scrutinised perspective on how individuals within a customer unit experience value, individually or collectively. In the second section, the focus is on investigating collectively experienced value as a consequence of co-creation between the family members by using the same five dimensions as platforms.

The dimensions are connected with each other as one service experience often includes characteristics of several dimensions simultaneously; for example, the spatial dimension (bank as a place) can be intertwined with the temporal dimension (long waiting times). Following interpretivism as the philosophical position of this thesis, this study explores how individuals experience and interpret their everyday social settings. In this thesis, the answers have been categorised under the specific dimension reflecting the most important one from the respondent’s view when she was explaining a specific service experience. The appendices illustrate in detail how the dimensions were partly intertwined during the research process (Appendices 2–10). In analysis, I

followed Silverman (2010), who states that one should avoid seeking to apply too many findings derived from the chosen analytic approach to avoid confusion within the concept. The focus was on identifying the most important dimension from the respondent's view in the rich data. The identified main categories and related subcategories in each dimension were then used for building the categorisation model. In Section 5.1, each dimension with related answers is discussed more in detail. The interpretative approach and the researcher being present in the situation allowed reflexivity and more space for an intimate relationship in which the language with its different tones could be interpreted by the researcher. In this thesis, the focus was on exploring individually constructed reality through language and shared meanings. The build-up of the categorisation model in this study follows Berger and Luckmann (1967), who state reality is socially constructed through words, symbols, and behaviour of its members.

### 5.1. Service value co-creation between the bank and the mother

This section investigates service value co-creation between the mother and the bank where the mother as the visible person is seen as the customer by the bank.



**Figure 20 Investigation of co-creation in visible interactions as individually experienced service value**

It is notable that, when investigating co-creation as individually experienced service value during an interaction, the bank should understand how individuals integrate service into their own lives filled with other experiences and actions. Therefore, the understanding of the respondent's everyday life becomes crucial for the bank, as nothing happens in a vacuum, and service experience is always contextual.

Next, all the five dimensions are discussed separately to provide insight for creating a categorisation model for different entities of value co-creation.

### 5.1.1. *Technical dimension*

When discussing their experiences with banks, the respondents often started by illustrating the received, or proposed, final offer from the bank – referring to the technical dimension what was received. Although the five dimensions are inevitably intertwined, the offer could be categorised as *suitable* or *unsuitable* for the customer's needs. This will be explained more in detail in the following examples.

According to the interviewees, the initiative taker in a process leading to an offer had been either the person herself or the bank. The two examples illustrate how the respondents expressed their satisfaction regarding the received offer. In both cases, the respondent had been the initiative taker and approached the bank in a current need. In the first one, the respondent explains how the final offer was the best loan offer for her needs, assisted with good personal service. The second respondent explains how the process was unclear, even fuzzy, but the result was suitable for her individual, actual needs.

When I bought my own first apartment, I became a customer of the bank. I had asked for loan offers from other banks as well, but this one gave me the best one. In addition, it turned out that the person in charge had moved from another city and based on my name also knew my grandfather in the other city. It is a small bank with incredibly good personal service. I will never change to another bank. (Person M)

Once I had a specific need for a service, and I contacted my bank...it was terrible paper work. I had to put my name on several papers, and I was wondering what I was signing. ... Then I received a pile of copies in a plastic folder to take home with me. But as long as it works, I am quite satisfied. (Person L)

The following examples indicate how some respondents were satisfied with the result the bank's proactivity had led to. The respondents expressed their satisfaction as they had the feeling they had not been forced to do something, but it was rather a question of issues that would bring something new and positive into their lives. Thus, the offer was experienced as something suitable for the actual life situation.

The bank offered me a new service possibility of selling and buying stocks on-line. Even though I said that I am not good at that and will hardly buy anything, they proposed that I would take a six months' trial for free to see what it feels like. Now I have it, and it costs me some euros per month, but it is quite nice to have it there. (Person G)

Once, when I was at the bank, the banking advisor told me that maybe I should take a PIN code (to make it easier), and then I said that probably it would be wise to do so since she was not the only one telling me to do it. (Person K)

Not everyone wants the bank to take the proactive role that dominates the customer. The following argument of one of the respondents illustrates how the offered service by the bank should have a purpose in her life, or she would get irritated about the bank's active role. Thus, the suitable offer is linked to a current need in one's life.

My bank is not really proactive, which is fine with me. I think that it would actually annoy me since I want to decide myself what I need. At some point they did ask me about my car insurance and home insurance. ... Somebody called me from the bank and asked me about the car insurance, and I told him that my insurance would go out of date then, and then – call me then again. Then he called and I took it. (Person F)

The respondent explains further how she in this case did not get annoyed about the proactivity of the bank since she would have needed the car insurance in any case. Now she describes it rather as a relief when someone else had thought about her specific

needs. She adds she gets annoyed if someone calls her in the middle of the day and offers a service or a product she has no intention to get.

The same notification of receiving thought-through offers that would make one's life easier at the moment can be identified in other interviews as well. It is obvious how the mothers would appreciate the bank to be aware of their everyday challenges regarding busy timetables and based on that knowledge offer them ready-made solutions to their specific momentary needs. This shows the bank should widen its scope from the visible value co-creation during the service episode beyond it to cover also the experiences before and after the episode. This, again, is in line with CDL, which argues a service provider should become better aware of an individual's everyday life.

I would be willing to pay if someone presented me thought-through solutions that are easy to choose from. Let's say, for example, how to invest in an apartment. I do not have the strength to start finding out what I should do... And when it comes to investing, I wish that someone approached me proactively and presented alternatives to choose from, and asked me how I would like to proceed when my time deposit will expire, they should give me some proposals, not just tell me that it will expire. ... In general, the bank should think about its customer; what would that person want in her specific life situation right now. (Person A)

I would reconstruct the whole set (of a bank) to answer the needs of today's service expectations so that the bank would also communicate it like "Hey, you can be in touch with your bank daily if you like. We are happy to serve you!" ...For example, at this moment, I would be very glad if my bank contacted me and told me that "Hey, do you know that your apartment is now worth double your mortgage and you could get more loan just based on that?" – No one has been in touch with me, and I have a lot of things that I could do. (Person H)

Similarly, comments regarding the actual needs of the individual – instead of having a provider-dominant view – support the importance of the customer getting suitable offers she is interested in.

... I had enough of this person immediately when she was just pushing with the MasterCard all the time when I was discussing about a house loan. ... It was obviously written in their instructions that the card should now be marketed to customers. (Person L)

Banks often approach based on their own interests and offer cheap consumer credits in letters which usually go into the garbage. ... They are just common offers for those who have been customers of a bank for a long time, and the bank calls them premium customers so that they would feel important. (Person E)

Table 10 contains sample quotes from the respondents related to the technical dimension. The quotes illustrate the respondent's expressions of receiving different kind of offers from the bank. To go further, the recognised benefits – or disadvantages – are grouped under a common denominator describing the resulted offer either as *suitable* or *unsuitable* for the respondent's needs. When the offer is described as suitable, co-creation between the bank and the respondent has led to positive value for the respondent. When the offer is illustrated as unsuitable, co-creation between the parties has led to negative or neutral value for the respondent. Therefore, the identified different entities of co-creation related to the technical dimension are defined as suitable or unsuitable. This first level describes the main category, defined as suitability of the different entities of co-creation.

**Table 10 Examples describing the technical dimension. (The initials indicate identifiers of each respondent in quotes)**

		Individually experienced service value				
Dimension		Technical	Functional	Temporal	Spatial	Personal
Main category						
		<div><div>Offer <i>Suitable</i></div><div><ul style="list-style-type: none"><li>- Receiving right kind of offers</li><li>- Satisfactory end-result for individual needs</li><li>- Easy to choose from</li><li>- Receiving thought-through solutions for one's specific needs</li></ul><div><b>A,M,L,G,F,K</b></div></div></div>	<div><div>Offer <i>Unsuitable</i></div><div><ul style="list-style-type: none"><li>- If bank is too pushy, gets annoying</li><li>- Offers are not interesting from the individual's point of view</li><li>- Bank is not taking any initiative</li></ul><div><b>F,E,H</b></div></div></div>			

By exploring further the descriptions in the table, it is possible to define subcategories within the identified main category of *suitability*. Defining common denominators for the quotes does this, as Table 11 illustrates.

**Table 11 Subcategories within suitability**

Subcategories	
<ul style="list-style-type: none"> <li>- Right kind of offers</li> <li>- For individual needs</li> <li>- Receiving thought-through solutions</li> <li>- Easy to choose from</li> </ul>	Fit
<ul style="list-style-type: none"> <li>- If bank is too pushy, gets annoying</li> </ul>	Manner
<ul style="list-style-type: none"> <li>- Bank is not taking any initiative</li> </ul>	Activity

The same principle is used for the analysis of each value dimension in this study.

### 5.1.2. Functional dimension

The functional dimension describes how a service process is experienced. Although the process is inevitably linked to the offer, it can be separated for a closer investigation.

The analysis illustrates how the process for experienced service value can be described as *efficient* or *inefficient* in the respondents' daily lives. If the process runs smoothly without any unexpected inconvenience, it enables everyday issues to be solved in an efficient way. In other words, the respondents have a feeling they can integrate the service process into their lives filled with other experiences and actions. Next, the functional dimension will be illustrated through examples.

In the analysis, paying bills on the Internet was described as an easy and fast way to solve daily banking issues. The process has become a self-evident daily routine that is often mentioned only briefly, as the following comments illustrate.

My way of using banking service is very easy at the moment; it is mainly paying bills on the web. (Person I)

I take care of the bills on the web bank. (Person F)

I use e-invoicing for all my bills. (Person B)

This routine of paying bills on the web has become so inevitable that in case of unexpected troubles on the Internet an individual feels uncomfortable, as it interrupts the efficient way of doing things.

Some years ago, we were just leaving for a holiday, and I had unexpected troubles getting some bills paid on the Internet. ... and then I sent an email to our personal banking adviser and asked her that "Hey, what should I really do now?"... Then I provided her with all the necessary information, and she took care of the bills for me. (Person G)

Once I was due to pay a reservation fee for something and the web bank was down in the evening and I could not get in touch with anyone at the bank. That was quite a nasty thing. (Person H)

Ease is appreciated; one of the respondents describes how she would, in fact, like to solve several issues simultaneously when being in the Internet bank.

Everything should be available simultaneously when you take care of your banking services; banks should network with other service providers so that once you are there (in the Internet bank) you do not need to go somewhere else again. I mean the kind of things that can be connected with banking services. (Person B)

The same respondent describes further how there is a high threshold for changing a bank, as she has concentrated several functions in the same bank. Similarly, there are others who describe how getting service from the same place would be important for them. One respondent describes how she was visiting a company that offers both insurance and banking service. She was there mainly to discuss insurances. But she was surprised when she was not offered any banking-related service from the company during the meeting. She had, in fact, expected the bank to take an active role and offer her new, possible solutions during the visit but was disappointed when the bank was not interested in presenting her any ready-made solutions to choose from.

They lost a great opportunity. They did not offer me any of the right kind of choices; they had not done the background investigation of me at all. ...They did not know that I am the kind of person who avoids risks, and that easiness and saving time and having a peaceful mind are important things for me. I think that these are important issues for all working mothers. (Person A)

She continues by explaining how she thinks it is worthless to take papers home for further reading instead on solving issues right on the spot.

The printed materials like offers do not work. You never return to them (once you leave the bank). (Person A)

The importance of easiness in a service process can also be identified in the answers regarding how a bank approaches its customers with marketing material. The following

comments reflect how the bank's communication is often provider driven and not always easy or interesting for the receiver to understand in her daily, busy life.

I do not really feel like concentrating on the letters that I receive from the bank. They should be easy. ...I might even take some common offers if they were easy. (Person D)

Well, let's say that my husband reads the mail from the bank more often. Sometimes I read the letters too if it is about something that has been on the news. ...then I might read it. I do not read the letters very carefully, but some relevant issues I can read. Not so that everything would go to the garbage immediately, but anyhow. (Person J)

I would not like to have any paper invoices or other things coming home in the mail; I hate papers. I would like to have everything in e-format so that I could go and have a look at it when there is a need (Person B).

Table 12 contains sample quotes from the respondents related to the functional dimension. The quotes illustrating the identified empirical findings are summarised to define the efficiency of the process to be either *efficient* or *inefficient* from the respondent's perspective. An efficient process illustrates that co-creation between the bank and the respondent has led to positive value for the respondent, whereas a non-efficient process illustrates how co-creation between the parties has led to negative, or neutral value. Therefore, the identified different entities of co-creation related to the functional dimension are defined as efficient or non-efficient in the main category of efficiency.

**Table 12 Examples describing the functional dimension. (The initials indicate identifiers for each respondent in quotes.)**

Dimension	Individually experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category	Efficiency <i>Efficient</i>		Efficiency <i>Inefficient</i>		
	<ul style="list-style-type: none"> <li>- Making daily routines easy</li> <li>- Getting help with unexpected problems</li> <li>- Solving several issues simultaneously</li> </ul> <b>I,F,B,G,H,D</b>		<ul style="list-style-type: none"> <li>- Receiving information in undesired format</li> <li>- Bank is not active during the meeting</li> <li>- Receiving messages too complicated to go through</li> </ul> <b>B,D, A,J</b>		

By exploring further the descriptions in the table, it is possible to define subcategories within the identified main category of *efficiency*. Defining common denominators for the quotes does this (Table 13)



**Table 13 Subcategories within efficiency**

Subcategories	
Flexibility	<ul style="list-style-type: none"> <li>- Making daily routines easy</li> <li>- Getting help with unexpected problems</li> <li>- Solving several issues simultaneously</li> </ul>
Type	<ul style="list-style-type: none"> <li>- Receiving information in undesired format</li> <li>- Receiving messages too complicated to go through</li> </ul>
Activity	<ul style="list-style-type: none"> <li>- Bank is not active during the meeting</li> </ul>

### 5.1.3. Temporal dimension

Since time is limited, the temporal dimension regarding when something is offered is highly relevant for the respondents. In the analysis, timing is related to the topicality in one's life, more specifically, whether to integrate the offered service into one's own life at the moment being *topical* or *non-topical*. The following expression describes the overall importance of understanding the right timing in one's life.

I think that the bank should start from my personal situation and make things easy for me when the timing is right – give me advice and explain why something is relevant for me just now. (Person A)

Thus, for a bank, the question of right timing is about understanding how interesting the offer is for the receiver at the specific moment. For example, Person G tells how she appreciates getting invitations to her bank's different investment events, though she has not visited them very often. According to her, it is good service when the bank indicates it is aware of her interests in investing money, though she does it in a small scale. Receiving the invitation as a letter or an email is a good way to get a reminder about the events, as she doubts she would check them on the bank's webpages herself. The importance of being informed about issues that would fit one's life at the moment is important, and the final decision whether to join the events is for the receiver to decide depending on her timetable and level of interest.

But there are also opposite arguments regarding the importance of receiving invitations to events, as one of the respondents describes:

The bank sends invitations to different kinds of events where the aim is to sell something – it is positive as such, but I have never had time to go to any of them. For who is that kind of networking meant? In my life, it is not important to be part of that kind of networking. (Person C)

It is noteworthy that, though the invitation is seen as positive, the limited time in the respondent's daily life does not give her a reason to participate. Furthermore, she finds the networking the possibility could offer is not interesting for her.

For the bank, these different reactions can offer more insight about how different persons react to similar offers. In fact, in these two cases, understanding the difference in the everyday life of the mothers widens the scope. Both of the respondents have three children, but the ages of the children indicate the differences in the respondents'

daily timetables. In the first example, the youngest child is 12, and the mother says that having the youngest one at this age already makes life easier. In the latter, the children are between 5 and 10 years old, which makes the mother's daily timetable more tight regarding where to be and when, as she puts it:

My whole life is about timetables. Every minute is planned carefully, and all the time, my mind is already performing the next task. (Person C)

Also, the possibility of choosing a suitable time to perform some bank-related issues plays an important role for the respondents. Two respondents, both customers of the same bank, mention how they have been able to go to their bank outside opening hours to sign some papers. This is experienced as something unique.

Sometimes, they have prepared all the papers, and I have gone there just to sign them. ... It has been very flexible, ... and in addition, regarding their opening hours – if they open at 10 o'clock and I tell them that I should come already at 9 o'clock, they encourage me to come and just knock on the door, and they will let me in. I think that this is incredibly good service. (Person G)

They are very flexible. ...I do not know if another bank would do the same. My sister, for example, has had problems with her bank regarding the opening hours, but in my bank they once came before the opening hour so that I could sign some loan papers. They are so flexible. (Person M)

In the two above-mentioned examples, the bank as a provider has made a successful step to be customer driven. The bank has adapted its service to suit the individual needs of the mothers. The importance of understanding the busy everyday life of an individual is illustrated in the following example, in which the respondent is asking for service that would answer her needs.

It should be possible to call the bank's service number between 6 pm and 8 pm after own working hours...I would like to be told how to handle each issue, the bank could prepare everything so that the only thing for me would be to sign the ready-made papers. (Person A)

Another respondent (Person F) explains how she used a web-based tool for filling in an application form for a house loan. The comment indicates the importance of being able to decide when to perform different tasks in the middle of the daily routines and how to be able to return to them at a suitable time.

...Actually, it did not take very long to fill in the application. I did some other things in between and then returned to it again. ...It was nice that it gave you ready proposals based on the facts that you filled in. It was very handy. Then I only adjusted it a little and sent it.(Person F)

Following the customer's actual needs and thus having right timing should be guiding the bank. Being late means losing the opportunity for the bank.

They [the bank] offered me some insurance as well, but since I have always been a customer of my existing insurance company, I had taken them from there...I did not even know that the bank could have offered insurances. I could have considered them as well, but when they told me about the possibility, it was too late, since I had already made a deal with my insurance company. (Person I)

Due to today's rapid development of technology, the willingness to wait for routine issues is low. Thus, in case the bank offers a possibility for on-line enquiries, they must be fast.

...In practise, I take care of everything by using the Internet bank. I have tried to send some enquires by using the Internet as well, but once when I did so, they called me after three to four days and told me that they have had some problems with the system and that they usually answer within 24 hours. They asked me whether I still had the problem, but I told them that “Hey, it was taken care of a long time ago.”... So I tried to use this service because I’m so bad at trying to find out telephone numbers, but this time it did not then quite work the way it should have done. (Person L)

The following Table 14 describes the quotes from the respondents related to the temporal dimension describing the topicality and right timing in one’s life. The quotes are summarised to define whether the timing was experienced as *topical* or *non-topical* in the respondent’s life. Right timing and topicality illustrates that co-creation between the bank and the respondent has led to positive value for the respondent, whereas non-topical timing has led to negative or neutral value. Therefore, the different entities of co-creation related to the temporal dimension are defined as topical or non-topical in the main category.

**Table 14 Examples describing the temporal dimension. (The initials indicate identifiers of each respondent.)**

Dimension	Individually experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category			<b>Timing Topical</b> <ul style="list-style-type: none"> <li>- Right timing in one’s life</li> <li>- Topicality in one’s life</li> <li>- Flexibility to choose a suitable time for desired service</li> </ul> <b>A,C,M,G,F</b>	<b>Timing Non-topical</b> <ul style="list-style-type: none"> <li>- Wrong kind of offers for one’s situation</li> <li>- Wrong timing; bank is too late</li> </ul> <b>C,I,L</b>	

Further investigation of the descriptions in the table gives the following subcategories within the identified main category of *topicality* (Table 15).

**Table 15 Subcategories within topicality**

Subcategories	
<ul style="list-style-type: none"> <li>- Right timing in one’s life</li> <li>- Wrong timing; bank is too late</li> <li>- Topicality in one’s life</li> </ul>	Topicality
<ul style="list-style-type: none"> <li>- Wrong kind of offers for one’s situation</li> </ul>	Fit
<ul style="list-style-type: none"> <li>- Flexibility to choose a suitable time for desired service</li> </ul>	Flexibility

### 5.1.4. *Spatial dimension*

In the analysis, the spatial dimension regarding where to utilise a service is related to convenience, defined as *convenient* or *inconvenient*. Today's technology allows customers to perform several banking issues independent of place. As described earlier in this thesis, in the functional dimension, some banking practises like paying bills have become a routine where easiness has become self-evident. According to several respondents, the bank as a physical place has become more distant. When things run smoothly, there is no wish to go to a bank.

You only need to go to the bank every second or third year, as you can take care of the rest in other ways. (Person C)

Now I have to say that I do not remember when I last visited my bank. ...It was when I needed to renew my credit card. I do not go there even yearly. (Person I)

It's actually very seldom that I go the bank, which I think is a wonderful thing. ...I somehow feel that there is nothing to shop for in a bank, and it's a kind of an institution where things need to run smoothly with e-service. ... I do appreciate good e-services myself. (Person G)

For some respondents, visiting the bank is annoying when it is combined with long waiting times. For example, for a person who has planned to combine the bank visit with other everyday tasks – like going to the grocery or pharmacy – 10 minutes is a long time to wait. Inconvenience emerges when the bank becomes a place where one must wait to be served.

I have come to the conclusion that it does not matter whether the bank branch is big or small, modern or not, since the waiting times are anyhow always equally long. I do not like to stand there in the queue and hold my number in my hand without doing anything. ... I think that 10 to 15 minutes waiting time is much too long, as I always combine the banking issues with five to seven other issues that I need to take care of. Then I start to speculate if I could go and take care of something else while waiting since my schedules are quite tight, ... but then I have the feeling all the time that I should be back at the bank already. ... I really get upset about this. (Person L)

For some respondents, the size of the bank branch seems to have a role regarding how the respondents describe the service in a specific place. Big banks are experienced as stiff and inflexible, whereas smaller ones are described to offer more personal and faster service.

In our previous bank, the service was really stiff. ... It was very impersonal, and the bank branch in the city X was already huge and frightening, and you would be sitting there and wait with millions of other people in the line. ... Whereas, when I now go to our bank, I know that I do not have to wait for two hours to get my issues solved. ... It has a big meaning. The bank is somehow smaller and more intimate, only with a few front desks always with the same female banking advisors. (Person G)

It is a small bank with very personal service. They know me immediately when I walk in, and taking care of things is somehow very easy, independent of which of their bank branches I use. (Person M)

The bank director has been the same for a long time; the bank is like a small village. ... They know us well and we have a safe feeling that things will be taken care of. (Person K)

Furthermore, the possibility to choose whether to handle banking issues in a bank is related to convenience. For example, Person F explains how she goes to the bank very seldom and she would not like to go more often. If she needs to go there, she optimizes

when and thus will not have to wait long. Person L tells how she moved to a closer branch of the same bank due to the geographical distance. She adds she does not really need to go to this new one very often, but it feels somewhat easier to have it close by.

It is worth noting that in issues regarding bigger investments – like house loans or other loan issues – going to the bank is accepted as a natural part of the process.

I take care of my banking issues by using e-service, since that is the only thing I have to do with the bank today. But I will probably, in fact, call them [the bank] today and make an appointment with someone since I want to have a look at my current loan situation. (Person H)

Visiting the bank is also described as the final stage in the loan negotiating process when everything is prepared beforehand and papers are ready for signing. Going to the bank is accepted, but simultaneously, there is a desire for efficiency regarding the time that is needed at the bank.

I have not visited the bank yet, but I will go there at the final stage next week when the deal will be closed. I will go there an hour earlier before the buyer of the house arrives, and we will finalize everything with the banking advisor to be ready before the buyer [of my house] arrives. (Person F)

The same respondent continues and explains how she is satisfied about that fact she could agree about all the details on the phone. Otherwise, she would not have been able to manage the issue.

... Had I been forced to go there during the past two weeks, I would not have made it. I really would not have been able to leave my desk during the office hours. (Person F)

Similarly, the wish for having things prepared as much as possible is expressed in the following examples.

I would like them to tell me, as far as possible, how to handle each issue. They could prepare everything so that I would only need to go and sign the papers. (Person A)

The personal banking advisor has always kindly prepared all documents so that they have been ready for signing. (Person C)

Regarding the spatial dimension, the analysis raises an interesting question, namely where should the bank meet its customers. The respondents seem to be willing to go to the bank mostly in bigger issues; they prefer to be well prepared by the bank to optimize the time they need to spend at the bank's premises. This indicates how the bank is perceived more as a place for executing ready-made solutions than a place to go and compare different solutions that would fit in one's life at the moment. Like Person G put it, "There is nothing to shop for in a bank." Interestingly, another respondent suggested banks should go to places where customers already are naturally gathered. She compares this with Tupperware parties.

The bank should utilise the Tupperware philosophy and go to places where friends already get together. ... Or they could invite "you five ladies" to the bank, offer some snacks, sparkling wine, and discuss the kind of topics that are important at the moment in one's life: children's bank cards, last wills, inheritances ... so the moms could participate with good conscious in ladies' night where monetary issues are presented – the kind of issues where the final responsibility to find out about practicalities often remains on the mother's shoulders. The bank could also get valuable ideas or test ideas in this kind of gathering. (Person A)

This finding is interesting because it indicates how the bank as a provider should move toward the customers' lives to become integrated in their everyday lives. The challenge for the banks is to understand the customer's larger ecosystem instead of inviting a customer to join the bank's system.

The following comment illustrates how everyone is not necessarily using web-based communities – a good reminder for providers that people like to talk and exchange ideas when they meet face-to-face.

Also, the banks should understand that there is also another kind of sense of community that the Web. I use telephone, text messages, and ask people about different things when I meet them face-to-face. We 40-plus persons do not try to find all answers on the Internet like the younger ones do. (Person A)

Equally, Person M explains how she adds photos to her Facebook but does not visit the pages of her 300 Facebook friends. According to her, Facebook is a way to be in touch with persons she does not see otherwise but who actually are not close friends.

To my friends, I send personal emails and tell what happened to us this week and ask how they are doing. ... I use a lot of time on the phone as well. (Person M)

Table 16 describes the quotes from the respondents related to the spatial dimension describing the convenience regarding the choice of places to perform a service. The quotes are summarised as *convenient* or *inconvenient*. "Convenient" indicates co-creation between the bank and the respondent has led to positive value for the respondent, whereas "inconvenient" has led to negative or neutral value. The identified different entities of co-creation related to the spatial dimension are defined as convenient or inconvenient on the main category level.

**Table 16 Examples describing the spatial dimension. (The initials indicate identifiers of each respondent.)**

Dimension	Individually experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category					
				<b>Place Convenient</b>	<b>Place Inconvenient</b>
				<ul style="list-style-type: none"> <li>- Visiting the bank only seldom</li> <li>- Brief visits</li> <li>- Feeling of intimacy and fast service</li> <li>- Visiting for important issues is acceptable</li> </ul> <b>C,G,I,M,K,H,F,A</b>	<ul style="list-style-type: none"> <li>- Long waiting times at the bank</li> <li>- Unintimacy</li> <li>- Bank has limited ways to meet customers</li> </ul> <b>L,G,A,M</b>

Further investigation of the descriptions in the table gives the following subcategories within the identified main category of *convenience* (Table 17).

**Table 17 Subcategories within convenience**

Subcategories	
<ul style="list-style-type: none"> <li>- Visiting the bank only seldom</li> <li>- Visiting for important issues is acceptable</li> </ul>	Frequency
<ul style="list-style-type: none"> <li>- Bank has limited ways to meet customers</li> </ul>	Flexibility
<ul style="list-style-type: none"> <li>- Long/short waiting times at the bank</li> </ul>	Speed
<ul style="list-style-type: none"> <li>- Feeling of intimacy/ un-intimacy</li> </ul>	Familiarity

#### 5.1.5. *Personal dimension*

In the analysis, the personal dimension is related to the respondents' experiences of personal service. More specifically, in the study, the behaviour of a person or persons serving the customer is investigated separately to gain a better understanding of the role of a banking advisor in the customer's experienced service value. As mentioned earlier, the five dimensions under investigation are linked to each other. It seems how a person (respondent) is treated by another person (from the bank) seems to get pivotal comments. Thus, it can be argued the role of personal service is not diminishing with the rapid changes of technology, with different recorded instructions often replacing human beings. Interestingly, the analysis indicates a trustworthy person as a banking advisor often plays a crucial role regarding the experienced service value, as the following examples illustrate. The personal dimension in the study is illustrated as *trustworthy* or *untrustworthy*.

The following examples illustrate how the respondents describe the importance of being treated as an equal when getting assistance from an expert within the area.

We have a personal banking advisor. It has been nice, since if you have a question, you can put it forward to her, and she will take care of it. There is nothing you would not like to ask her, you know, like feeling that this is a bit stupid. She will explain it to you, both negative and positive aspects, so that you will certainly understand it. We have had her for ten years at least. ...We have to go to another city to our bank to meet her, but on the other hand, she knows her job well and is up-to-date regarding all kinds of changes. That's why I haven't even thought about switching to another bank when there is such a trusted person. (Person J)

I appreciate that there is a person who is familiar with my issues. Sometimes I send her an email from the e-bank and ask her to call me when she has time. (Person B)

It's a small bank, and I have a personal banking advisor who knows me well. I do not have to explain my whole history every time. ... She knows who I am and what I need. ... I am human to another human, and that is very important for me. (Person G)

Interestingly, a change of the personal advisor is not experienced as negative as long as the trusted relationship between the bank and the customer remains. This is worth noting as one could assume a change is something that needs extra effort from the

customer's side. Several respondents describe how having a trustworthy person is more important than having necessarily the same person, as the following examples illustrate.

We have been nine years at this bank and have now a third personal advisor. All the changes have been made so that they have invited us to the bank to meet the new person. They have most probably gone through our background information beforehand, and they have also introduced us new services at the same time – but not like pushing them – as they have been familiar with our financial situation. They have been very helpful and flexible. (Person G)

I think that the employees in the bank have very much been the same all the time. One was on maternity leave, and then she returned. ... Even though the personal advisors have changed, the relationship has always remained the same. It has continued from where it was with the previous one. (Person M)

It is noteworthy that the personality of the banking advisor plays a crucial role. If the customer feels irritated or annoyed about the person, she can demand a new one or switch to another bank.

I have a personal banking advisor now. ... It is actually very much up to personality of the advisor. I have had the existing one for four years now, and things are going fine. Once, a long time ago, I had a really annoying personal banking advisor. ... She was a *besserwisser* [a-know-it-all person] ... I cannot stand if someone tells me what I need. I just could not stand her, and then we asked for a new one. (Person F)

We switched to our existing bank branch since we wanted to have one person that we could be in touch with. ... In the previous one, we had been moved on to a person who came to the first meeting late and called us by a wrong name. ... We were planning to take a house loan but she was pushing us with a MasterCard, as it obviously stood high on their list that they should now market it. ... I was immediately so upset about her. (Person L)

In my previous bank, the service was very impersonal. You did not know anyone, and there were so many people behind the desk. ... And then, during the loan negotiations, everything was so difficult, and everyone was so negative, so it did not feel nice. And then after they screwed with my loan issues based on wrong information, I decided to switch to another bank – even if they really tried to make it up, I just had enough and left even though I had been their customer ever since my birth. (Person M)

Ease and flexibility are essential ingredients in a trustworthy relationship. For example, if the customer feels that getting in contact with a person that is familiar with one's own issues is difficult, she will get irritated. According to the analysis, the way to reach the personal advisor in some banks is too complicated. Person C explains how she gets annoyed when the way to get in touch with a personal advisor has been made too difficult. The following example illustrates how the bank has changed its service process and how it irritates the respondent. The customer is forced to follow the bank's process, though she would rather solve her issues directly with a person that knows her current situation. Hence, the customer's logic is put in the background when a provider-driven logic is defining the process.

First, you will have to call through a customer care number, and your question lands on a priority list with all other customers, and it will only be taken care of if it gets high enough priority. ... It is annoying when you always have to explain your background for 10 to 15 minutes. ... Through this filter, you might then get to your own personal advisor. ... Earlier, I had the same personal advisor for 10 years, and she has known my situation and us for a long time, which has been very positive. Now she is going to retire, but I have still sent her direct emails, and not gone through the customer care centre. (Person C)



Getting in touch with a person that is aware of one's issues does not necessarily mean the person should be always the same. According to some respondents, the person at the bank can vary if things run smoothly.

Having a personal advisor as such is not as important; that they know my situation has meaning. (Person D)

It is important to get personal service but not as such to have a personal banking advisor – it is ridiculous to have one when organisations change all the time, it does not work. Most important is that the bank would have my information available on the screen for the person that I am talking to. (Person A)

If our banking advisor had been away, for example on a holiday, she has briefed another person to take care of our issues and informed us about it. ... It has worked out well. (Person L)

If I had more to do with the bank, I would like the same person to take care of my things, not just a girl calling me. Or at least the bank should have all my information available. (Person E)

But there are also hesitations regarding the continuous changes of the person taking care of the relationship.

Well, it all works out well because she knows all the background. If it was another person who would look at the information on the computer, it might work out as well but maybe not as fast. ... If you went to this kind of unknown person who would not know your history based on face-to-face meetings, you probably would take care of some basic things, but I do not think that I even could ask about all things if I didn't know her. (Person J)

Maybe one of the most intensive relationships illustrating the importance of a trusted relationship is the following example, discussed by Respondent K.

We have had the current personal advisor for two years now. When the previous one changed branches, she informed us about it and told about this other person. ... But since we still have the phone number of the previous one in the phone memory, we might call her in certain issues as well. Actually, she became like a friend, and after the change I have now met her outside the bank.

The findings indicate the importance for the provider to start from the customer's needs and understand the offered service needs to fit in her life. Sometimes the whole process can be very complicated and even difficult for the provider to estimate. Therefore, flexibility in serving the customer in her everyday life becomes crucial. One of the respondents explains she first hurriedly sent an email to the bank and received an out-of-office reply telling whom to contact with urgent issues, as the person could not be reached. She continues by saying she then called that number and reached a very friendly person who helped her to solve the issue in five minutes. This story sounds complicated, but as the bank was flexible and served the respondent in a way that suited her, the result was satisfactory for the customer.

I was supposed to be somewhere else again, and then in five minutes, the whole issue was solved so that I got an appointment for the following week, first to handle the loan issue an hour earlier and then have the appointment at the bank with the person who would be by my house. ... And then I asked her [the person at the bank] how I should be prepared, and she suggested that my personal advisor would call me on Friday before noon. And I told her that she can reach me in the afternoon, and then we agreed about that. (Person F)

The importance of understanding the customer's unexpected needs means the bank as a service provider needs to be flexible and active with the customer. Being active does not mean sending mass marketing communications but instead being interested in one's needs. Like Person E says, "If I had more to do with the bank, I would like. ..." or Person D, "...that they know my situation has meaning."

The analysis indicates how the respondents are willing to get served – but in some cases, the bank seems to have lost the opportunity. Person H explains how she has a loan from the bank and is thinking of contacting the bank now. But she explains that she is not even aware of whether she has a personal banking advisor.

I do not know if I have a personal banking advisor ... maybe. ... The bank mostly sends me my monthly account statements. ... At some point, I received invitations to events but not any longer. Maybe I am a bad customer or something? (Person H)

As a single mother, she explains she has the responsibility for all the economic issues of the household. She adds she is bad at taking care of some banking issues, like finding out the prices for different services, as she just cannot concentrate on every detail. This is in line with some other respondents (for example, persons A, C, and F) who describe their everyday life as filled with timetables and tasks, as explained under the temporal dimension.

Table 18 contains sample quotes from the respondents related to the personal dimension. The activities have been summarised as *trustworthy* or *untrustworthy* describing whether co-creation between the respondent and the service by personal service advisor led to positive or negative value for the respondent. The identified different entities of co-creation related to the personal dimension are defined as trustworthy and untrustworthy on the main category level.

**Table 18 Examples describing the personal dimension. (The initials indicate identifiers of each respondent.)**

Individually experienced service value					
Dimension	Technical	Functional	Temporal	Spatial	Personal
Main category					

Further investigation of the descriptions in the table gives the following subcategories within the identified main category of *trustworthiness* (Table 19).

**Table 19 Subcategories within trustworthiness**

<ul style="list-style-type: none"> <li>- Acknowledged advisor</li> <li>- Irritating personality</li> <li>- Impersonal and negative service</li> </ul>	Personality
<ul style="list-style-type: none"> <li>- Knows one's background</li> <li>- Knows one personally</li> <li>- Continuous relationship</li> <li>- Established friendship</li> </ul>	Familiarity
<ul style="list-style-type: none"> <li>- Unclearness of the existence of a personal advisor</li> <li>- Fast and flexible service</li> <li>- Complicated to reach the banking person</li> </ul>	Simplicity

### 5.1.6. Discussion

In this section, value co-creation between the bank and the mother was analysed by utilising the five dimensions – *technical, functional, temporal, spatial, and personal* – as platforms. The analysis focused on the visible relationship between the bank and the mother and how value is experienced individually in the provider-customer interface. The analysis illustrates how the respondents integrate service into their own lives filled with other experiences and actions. The study argues that, when investigating the visible interaction between the bank and the mother, it is crucial to widen the understanding of the respondents' everyday lives. Insofar, service research in b-to-c marketing has mainly focused on investigating a specific moment or a specific service episode in an interaction without a deeper investigation of the context in which the customer utilises the service. That is, the view has been service driven, not customer driven. The analysis illustrates the importance of understanding a deeper background of a specified segment with specific needs. In this study, the lives of the respondents were often dominated by busy timetables and several responsibilities to take care of.

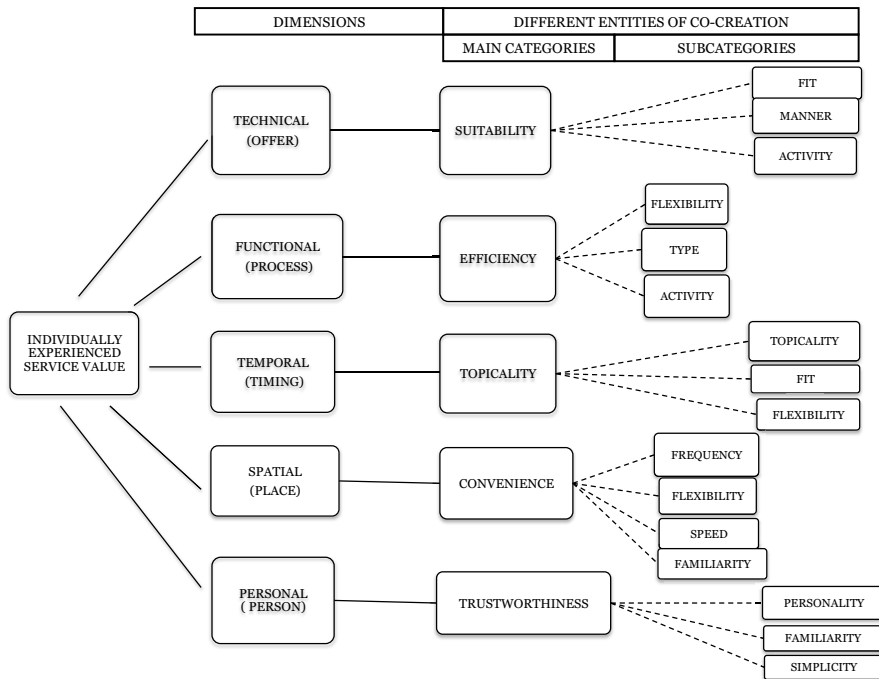
Table 20 summarises the findings of the section and provides insight for creating a categorisation model for investigating individually experienced value resulting from co-creation between the mother and the bank. The table illustrates how the experienced value results from co-creation that is investigated through the five dimensions. The dimensions have been explored deeper with the help of the definitions “what,” “how,” “when,” “where,” and “who,” all related to an individual's diverse experiences of banking service.

The lowest row of the table presents the identified main categories of the different entities of co-creation in each dimension. The table illustrates when co-creation has led to positive value (e.g., through a *suitable* offer), whereas the latter term indicates negatively or neutrally experienced value (e.g., an *unsuitable* offer).

**Table 20 Individually experienced service value resulting from different entities of co-creation**

Dimensions	Individually experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
	Offer	Efficiency	Timing	Place	Person
Different entities of co-creation	Suitable / Unsuitable	Efficient / Inefficient	Topical / Non-topical	Convenient / Inconvenient	Trustworthy / Untrustworthy

When exploring further, it is possible to identify subcategories in each of the identified main categories. Based on the analysis of this section, the following categorisation model for investigating different entities of service value co-creation in visible interactions is presented (Figure 21). The model summarises the identified different entities of co-creation of each value dimension.

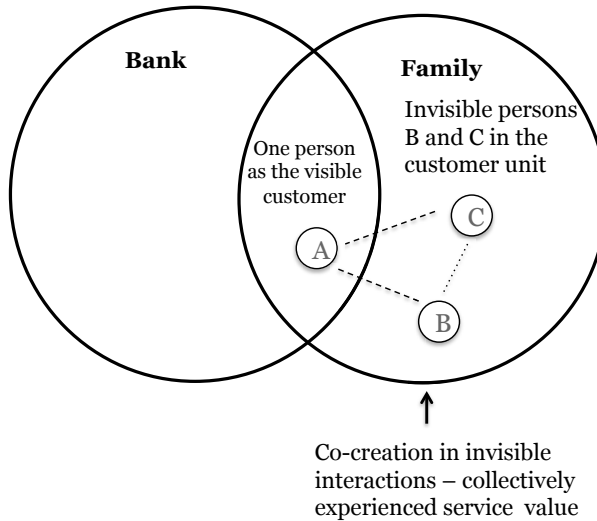
**Figure 21 Categorisation model illustrating different entities of co-creation in visible interactions**

In the next section, the collectively experienced service value of the family members will be under scrutiny.

## 5.2. Service value co-creation between the family members

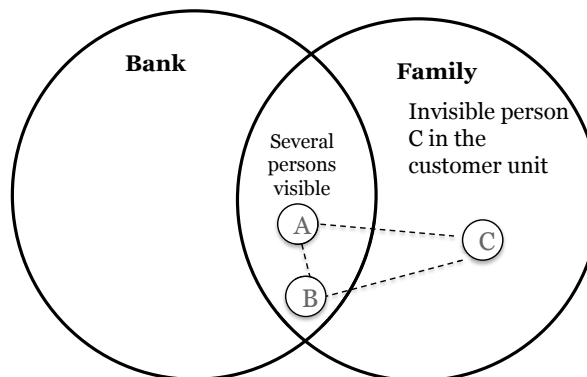
This section widens the scope of exploring value co-creation beyond the visible interaction between the bank and the respondent (A) to cover also the invisible co-creation, related to banking service, between the family members (A-B-C), as Figure 22

illustrates below. The empirical findings of this section demonstrate how collectively experienced value results from service value co-creation between the different actors within the family. This section illustrates value co-creation between multiple dyads within a family as a customer unit.



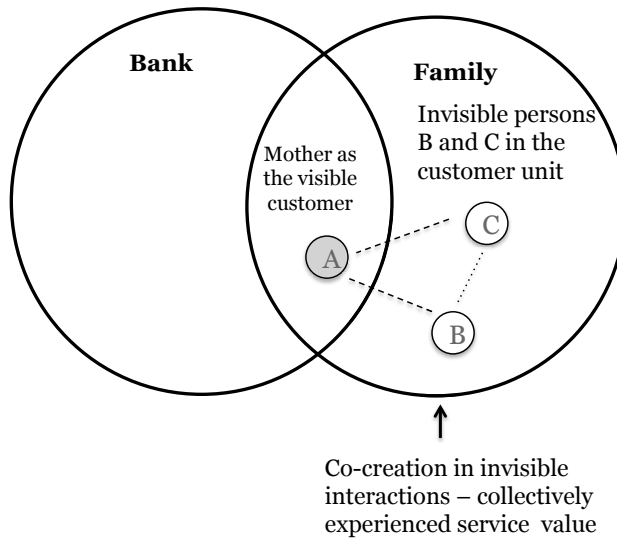
**Figure 22 Collectively experienced service value in invisible interactions**

In this thesis, the mothers as respondents interpret the collectively experienced value resulting from co-creation between the family members. The analysis indicates how the invisible persons, the spouse (B) or the children (C), can occasionally shift their positions to the visible section – for example, when children visit the bank with the parent – and thus become visible for the bank in the provider-customer interaction (Figure 23). The findings indicate how the bank then becomes better aware of the persons that might otherwise be neglected as invisible actors of a customer unit.



**Figure 23 Several family members become occasionally visible for the bank.**

Through the mother's interpretation, the mother is always present and defined as the visible person, whereas the other possible family members are discussed as the invisible ones co-creating service value in invisible interactions (Figure 24).



**Figure 24 Collectively experienced service value through the interpretation of the mother**

Another approach would be to include interviews of other family members and explore their interpretations of service experience with the bank. That is not the case in this study, but could be interesting for future research.

As discussed in Chapter 3, this study encompasses a twofold investigation of value dimensions as platforms for exploring different entities of co-creation, covering both the visible and invisible sphere of the customer unit. This section discusses collectively experienced service value by using the same five dimensions as used to explore individually experienced service value: technical, functional, temporal, spatial and personal. Analysis indicates how experienced service value for a customer unit emerged from the data, as respondents used both “me” and “us” to refer to individually and collectively experienced service value. Therefore, the same dimensions are used for both investigations of experienced service value.

Next, the five dimensions are discussed to provide more insight for the categorisation model presenting different entities of service value co-creation in invisible interactions.

### **5.2.1. Technical dimension**

The empirical analysis indicates how the technical dimension describes the suitability of the received offer not only for an individual but also for the whole family. This will be explored further and exemplified with findings from the empirical study.

In the previous section focusing on individually experienced service value, Respondent M described how she would never change from her existing bank to another one. Besides the individually experienced value, she later discusses the collectively experienced value within the family. Namely, she explains how happy she was when she discovered her husband was a customer of the same bank when they first met. Further, according to her, they are not only treated as separate individuals but also as one unit consisting of several persons.

I was so happy to find out that my husband happened to be a customer of the same bank as well. ... We, our whole family, take care of our banking issues in this bank now. ... Once, when my husband was visiting the town of X, he picked up my bankcard there from the bank branch office that is my home office since I took my latest loan from there. I think it was amazing that they gave him my card – it was because we know each other so well. (Person M)

This example illustrates how experienced service value indeed results from co-creation between the bank and the person who is visible in the interaction and from co-creation experiences between the different family members. Thus, by understanding the life of the customer unit, the bank in this example succeeded in creating value for several actors within the unit by providing an offer that was unexpected and highly appreciated by several family members. Similarly, two other respondents (Respondent G and Respondent I) mention how they have been able to pick up the credit card of the spouse and describe it as an unexpected, pleasant surprise that they define as flexibility. Respondent G describes her bank as the optimal solution for the whole family, and the offers of the bank are considered the right kind of solutions for the whole customer unit.

I have – we have – been highly satisfied with our bank and the service that we get. ... We have still a house loan left, and now when rates of interests have been varying over time, my husband has taken care of the negotiations. ... At the bank, they have been willing to negotiate with us by using common sense so that they have not only taken the maximum service fee when we have changed terms. ... They are willing to serve us well. ... We have opened funds for both of our children, and the bank explained the situation for us in detail. ... So that is very good. (Person G)

But going deeper into the life of the customer unit would still widen the opportunity for extended understanding of experienced value of the unit. Namely, though the Respondent M earlier above mentions how they now take care of all the family banking issues in the same bank, she explains the role of the bank regarding the children has been very passive so far. She does not find this problematic as the children are still so young (2, 7, and 9 years) and do not yet need bankcards or other daily services from the bank. But she mentions how the bank is now the part that benefits regarding the children.

The bank is just satisfied when receiving money on the children's accounts. ... Our children are yet so small that they do not understand the value of the money and they do not need any own cards yet. ... They have received the piggy banks, but they do not really use them. The only one who uses them is my husband when he picks up the coins that I have left around the house. (Person M)

Regarding the desired offer for the whole customer unit, another respondent comments how she was disappointed when the bank did not offer her better service, as she thinks that it would have been an opportunity for her and her children.

The employee should have asked me some question in order to find out what kind of customer I am. ... Maybe my children would have become customers of the same bank as well, since they belong to the Internet generation and having a Net bank is enough for them (Person A).

Similarly, the following comment describes how the service experience of the parents affects the collectively experienced value for the whole family.

Two years ago, we asked for saving possibilities for our children. We did not get excited about the alternatives that we received since they were mostly the bank's own investment funds. We have our own pension fund that we are not satisfied with. It does not generate us returns even though there should be professionals investing money. (Person D)

The example describes a lost opportunity for the bank that should be interested and aware of the needs of the whole family, including the invisible children, as Person L strongly expresses.

We have given birth to three children as customers for the same bank. They all have their accounts there. At some point, they had some funds there, but they did not bring any returns, so my husband terminated them and invested the money in stocks instead. We two have now become their five customers, but the bank has never really suggested anything for the children. (Person L)

Therefore, the final offer defining the technical dimension is described as suitable or unsuitable for the whole family as a unit that experiences value collectively. Table 21 contains sample quotes from the respondents related to the technical dimension with the definition describing the collectively experienced service value of the offer.

The table describes the offer being either suitable or unsuitable for the respondent's needs, this time illustrating the suitability for other family members of the respondent. Similar to the earlier described individually experienced value, the offer is described as suitable when co-creation between the bank and the family members has led to positive value for the family. When the offer is illustrated as unsuitable, co-creation between the multiple parties has led to negative or neutral value. In this example, the comment from Respondent M illustrates how an offer can be defined as neutral. According to her, the bank had not shown any interest toward the children, but she did not find this problematic, as the children were yet so young. Respondent L found a similar situation annoying, leading to negatively experienced value.

The identified different entities of co-creation related to the technical dimension are defined as suitable or unsuitable. This is in line with the findings regarding individually experienced service value when suitability was defined as the main category of the different entities of co-creation.

**Table 21 Examples describing the technical dimension. (The initials indicate identifiers of each respondent.)**

Dimension	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category	Offer <i>Suitable</i>		Offer <i>Unsuitable</i>		
	<ul style="list-style-type: none"> <li>- Receiving right kind of offers for the whole family</li> <li>- Flexibility</li> </ul> <b>G,M</b>		<ul style="list-style-type: none"> <li>-Wrong kind of offers for children</li> <li>-Bank is neglecting children</li> </ul> <b>D,L,A,M</b>		

When exploring the descriptions in the table, it is possible to define subcategories within the main category of *suitability*. The subcategories for the collectively experienced value are similar to the ones identified in individually experienced value. Table 22 illustrates the subcategories for collectively experienced value. The identified similarities and differences between the main categories and subcategories within the five value dimensions will be summarised at the end of this chapter when presenting the final categorisation model of service value co-creation.



**Table 22 Subcategories within suitability**

Subcategories	
<ul style="list-style-type: none"> <li>- Receiving right kind of offers for the whole family</li> <li>- Wrong kind of offers for children</li> </ul>	Fit
<ul style="list-style-type: none"> <li>- Flexibility</li> </ul>	Manner
<ul style="list-style-type: none"> <li>-Bank is neglecting children</li> </ul>	Activity

### 5.2.2. Functional dimension

In the analysis regarding the whole family, the service process under scrutiny intends to find explanations for the process being efficient or inefficient for the whole family. The functional dimension of a customer unit describes how a service process is collectively experienced. The co-created value includes the invisible interactions between the family members during a service process and indicates how value experience is a dynamic process before, during, and after the visible interaction. The whole family as a customer unit experiences value.

Regarding the individually experienced value in a service process, respondents B, F, and G earlier described paying bills as an everyday routine. It is notable that, like paying bills, following the different accounts of other family members when suitable can also be a routine, as Respondent D describes.

I take care of my own accounts, but similarly I follow the accounts of the whole family on the Web. We must have something like 10 different accounts since we have different accounts for different purposes. (Person D)

This example enlightens how collectively experienced value can result from an avoidance of negative value. The follow-up of accounts and the earlier mentioned routine of paying bills is a means to avoid unnecessary surprises regarding the monetary issues of a family. Being able to follow the accounts on the Web adds value to the whole family through the mother performing the task.

Another respondent explains how important it is for her that things run smoothly. In her case, both her and her children's needs are intertwined, as she explains how she prefers to approach the bank and get things solved. The collectively experienced value results from the co-creation between the mother and son addressing their bank with a specific need.

We chose a bankcard for our son so that I sent a message and informed the bank that we would like to get one. When she [banking advisor] had prepared everything, we went there together with my son to choose the colour. ...So that when things run smoothly, I only need to call them or send an email, and then they ask me to come when everything is ready. (Person G)

Interestingly, when Respondent G above discusses the easiness of ordering a bankcard for the son just by sending a request, another respondent describes a similar need that was followed with a more complicated process.

Once, when we were at the bank together with my husband, they asked if our children already had bankcards, and we said that, no, but that they have been asking for them already for a while. ... Actually, it was so that we never got it done since we both needed to be at the bank simultaneously to sign the papers and user rights and so on. ... So we never had it done so far. ... When we picked up the ready cards, the children had to come with us and sign the cards. You know, all of us needed present. (Person K)

The same respondent describes her everyday life to be full of timetables, and says that both her and her husband work in shifts. Therefore, finding a suitable time for a bank visit is hard for them, and she adds they have several times closed a house purchase by using a proxy as they have not been able to join the meeting simultaneously. It is noteworthy that, though they have been a customer of the same bank for 10 years, and describe the relationship as a positive one, the bank has not offered them easier processes to meet their everyday struggles with challenging timetables. It seems the family has been overall very satisfied with the bank, as Respondent K describes. They have not been asking for improvements, either, but have accepted the way the bank is running its processes.

Our daughter lost her card recently, and we ordered her a new one that we should pick up this week. She needs to come with me to pick it up, which has made this a bit complicated. ... It would make it easier if they sent it home like they have sent our cards as well. I have been wondering why we need to go and pick it up from the bank. (Person K)

It is possible to identify totally opposite experiences in processes regarding how the bank offers help in solving problems. Respondent J discusses how an efficient process in a similar case was appreciated and how it gives trust for the future. The collectively experienced service value of a process results from co-creation leading to positive value between the child, mother, and the bank. This example indicates how experienced value is based not only on the current visible interaction but also on history and the future.

When our daughter lost her bankcard – which we then later found at home but decided to block it before that – we received new codes and card right away, within two, or almost one week. They were very fast. I thought that, if the same happened to me, it would be fast to get a new one; at least in this case, it was really fast. (Person J)

Table 23 describes the functional dimension of being either *efficient* or *inefficient* for the respondent's needs, this time illustrating the suitability for other family members of the respondent. Similar to the earlier described individually experienced value, the functional dimension is described as efficient when co-creation between the bank and the family members has led to positive value for the whole family as a customer unit. When the process is illustrated as non-efficient, co-creation between the multiple parties has led to negative or neutral value. Thus, the identified different entities of co-creation related to the functional dimension are defined as efficient or inefficient on the main category level.

**Table 23 Examples describing the functional dimension. The initials indicate identifiers of each respondent.**

Dimension	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category	<b>Efficiency</b> <i>Efficient</i>		<b>Efficiency</b> <i>Inefficient</i>		
	<ul style="list-style-type: none"> <li>- Follow-up of all family accounts on the Web (Daily routines)</li> <li>- Things run smoothly</li> <li>- Fast way to solve problems</li> </ul> <b>D,G,J</b>		<ul style="list-style-type: none"> <li>- Complex processes</li> </ul> <b>K</b>		

But the subcategories for collectively experienced value differ partly from the ones indicated for individually experienced value. Table 24 illustrates the subcategories of collectively experienced value. The identified differences will be summarised at the end of this chapter when presenting the final categorisation model of service value co-creation.

**Table 24 Subcategories within efficiency**

Subcategories	
<ul style="list-style-type: none"> <li>- Follow-up of all family accounts on the Web (daily routines)</li> </ul>	Flexibility
<ul style="list-style-type: none"> <li>- Things run smoothly</li> <li>- Fast way to solve problems</li> <li>- Complex processes</li> </ul>	Easiness

### 5.2.3. Temporal dimension

The collectively experienced value investigated through the temporal dimension is highly related to the topicality of the offered service in the family's everyday life. For example, it seems getting a bankcard becomes an issue in the early teenage years. Several respondents discuss this issue, and interestingly, the initiative to get a card seems to be coming more often from the customer than the bank where information regarding the ages of the children often is available.

We took the card for the oldest child who was going abroad in the summer at the age of 13. My husband was then in touch with the bank. The bank did not approach us in this issue. (Person D)

We took the card after my daughter had been talking about it for a long time and needed it when travelling abroad with her sports team. (Person A)

Our son has a Visa Electron card<sup>3</sup>, and he is now 14. Our younger child will get it, too, at the age of 12. We opened the son's account so that I was in touch with the bank and informed them about this need. (Person G)

The analysis indicates the bank has often neglected the ages of the children, as the respondents strongly feel the initiative has come from the customer's side. Moreover, some respondents feel they are lacking the information how to get a bankcard for a child. For example, Respondent E explains her children have been talking about it but they have not yet applied for it. She explains it is partly because the children tend to lose things continuously. She adds she is uncertain how to proceed to get one and the bank has not approached them in the issue.

Respondent A explains she was upset when the bank did not make any suggestions for the children and she had to find out herself how to apply and receive bankcards for teenagers.

I wish that the bank had followed the ages of the children and done some pre-marketing. The children have their accounts there, and it would have been easy for them to see that there is nothing going on their accounts, and they could have made a suggestion to get a card. (Person A)

Respondent J describes an example with right timing combined with an educational aspect as she discusses how her children (11 and 12 years) are learning the value of money by using their own bankcards.

I think that it is good when they have learned by withdrawing money from the ATM where the money goes. They are still so young that they would not understand how money is spent if they used the bankcard for paying, but when they withdraw money from the machine they see the amount that they will spend on something.

It seems the educational aspect is also relevant for older children, as Respondent I puts it:

Somehow, when our son turned 18 there could have been something from the bank's side. But I would rather see that the child is invited to the bank and told about the banking issues. Of course the parents could join if the child so wishes, but it should be targeted to the child. However, the child needs to be around 18 to understand at least a little what it's all about.

The findings of the analysis strengthen the importance of the right timing, as some respondents explain the children do not yet have a bankcard and do not need it because they are too young.

Our children are yet so small that they do not understand the value of money, and they do not need their own cards yet. (Person M)

My children do not have bankcards yet. I think that they are still learning how to use money. (Person F)

Overall, it seems children are often neglected as part of the customer unit because several respondents feel the bank is not actively approaching them. Respondent C

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<sup>3</sup> Visa Electron is a card for cash withdrawals and payment of purchases and invoices. Cash withdrawals and purchases are debited directly to the bank account linked to the card. The bank account is always up to date, as a cover reservation for card transactions – cash withdrawals or card purchases – is made to the account in real time. For minors, the card is free of charge.

explains the process of opening accounts for her small children has been too complicated, as the initiative has come from her and her husband, not from the bank. She adds that all the required paperwork takes time and is based on her own activity, and she suggests a bank could approach the customer when the child is of a certain age.

A 9- or 10-year-old child often starts to get a weekly allowance that would be useful to save. Following this, a Visa Electron could be suggested later when it becomes a topical issue. (Person C)

It seems the respondents express a strong wish for the banks to see the family as a unit.

I think that banks should focus stronger on families with children. I just put money in one of my children's savings account. ... So it's like saying, "Hey, I'm bringing you a new customer" (Person A).

The same respondent suggests banks should start marketing by addressing adults first:

For teenagers' needs, the bank could approach the parents, for example, by suggesting an opening of an account for saving for a house loan. It would be a good idea for them who ask what to give to the teenager, for example, as a graduation present; or, in other occasions when the teen needs money, it could be transferred to her or his account. The sums could be also smaller and vary according to the purpose. (Person A)

Person L commented earlier how the two people in the family has become five after giving birth to three children. She explains the bank has neglected them as a family:

I think that, since we have been so loyal to them, we should get something in return. They should take care of us since we have taken care of them and stayed there. ... It's like a two-way street. We are, indeed, their business. (Person L)

She adds the children have not, according to her, really been offered anything from the bank:

Like once, I asked if the children could get piggy banks, and I felt, you know, like I was actually even not supposed to beg for them. ... I remember how I, in my own youth, had this "jeans account" from my own bank. I must have been like 10 or 11 years then, ... and I think that it was a great idea to have the feeling that you belong to that club of the bank. ...Whereas nowadays, you need to ask for a piggybank – no one has ever offered that to us. ...It does not need necessarily to be a club, but they could offer you even a piggy bank without your needing to ask for it. (Person L)

The findings regarding the temporal dimension indicate family members co-create value with each other. The different needs reflect the ages of the children, and new needs establish, as the children grow older. It is possibly to identify some clear gaps that the banks, according to the respondents, could fill easily if they were more actively following the family as a unit, including children. The topicality is crucial, as offers should have, with right timing.

Table 25 summarises the quotes from the respondents related to the temporal dimension describing the collectively experienced value of topicality. The quotes are summarised to define whether the timing was experienced as a topical or non-topical fit in the respondent's life, illustrating topicality for the whole family. As the respondents discussed the importance of topicality partly simultaneously as something leading to positive or negative value, the initials referring to the respondents are presented only in the first column to simplify the table for the reader and avoid repetition. Therefore, the identified different entities of co-creation related to the temporal dimension are defined as topical or non-topical, like the individually experienced service value related to the temporal dimension.

**Table 25 Examples describing the temporal dimension. (The initials indicate identifiers of each respondent.)**

Dimension	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category					
			<div> <div>Timing Topical</div> <div> <ul style="list-style-type: none"> <li>- Right timing regarding the ages of the children</li> <li>- Educational aspect</li> </ul> </div> <div>A,G,D,L,C,M,F,J,I,N</div> </div>	<div> <div>Timing Non-topical</div> <div> <ul style="list-style-type: none"> <li>- Neglecting the ages of the children</li> </ul> </div> </div>	

The subcategories for collectively experienced value differ from the ones indicated for individually experienced value, and a new, interesting subcategory related to teaching the children is identified. Table 26 illustrates the subcategories of collectively experienced service value of the temporal dimension.

**Table 26 Subcategories within topicality**

Subcategories	
<div> <ul style="list-style-type: none"> <li>- Right timing regarding the ages of the children</li> <li>- Neglecting the ages of the children</li> </ul> </div>	Topicality
<div> <ul style="list-style-type: none"> <li>- Educational aspect</li> </ul> </div>	Teaching

#### 5.2.4. Spatial dimension

The respondents discuss the convenience for the family members to visit the bank and how the family is treated as a whole. The experienced service value results from value co-creation between the family members and the bank, as the experienced service value covers the whole family. A complicated process of visiting a bank creates inconvenience for the family members, like Respondent K earlier mentioned how they all had to be present at the bank during the process of receiving bankcards for the children. In their case, this kind of demand is even more complicated, as both of the parents work in shifts.

Another respondent (J) discusses a similar situation, in which all the family was at the bank simultaneously and they applied for bankcards for the children.

I think it was so that we were visiting the bank and both of the children were with us. We told that we wanted to open accounts for them. ... It was really easy. We have been their customer so many years that they told us that it would be very easy since they had all our information available. (Person J)

What differs from the earlier example is that the Respondent J does not find it too complicated to visit the bank branch that, in fact, is situated in the next city. This is very much due to the personal banking advisor the family has had for a long time. Thus, in this example, the spatial dimension and the personal dimension are deeply intertwined.

The child-friendliness of a bank is an issue for families with small children. Respondent B expresses her impression of the child-friendliness of banks:

Banks are not at all child-friendly, certainly not. ... We choose our restaurants at this moment based on the fact whether they have a play area. (Person B)

She discusses further the option of a bank offering a family room with a play area in the corner. According to her, it would be a tempting way to get the children to the bank as well. She adds this kind of concept would be an interesting way for a bank to get profiled differently, and the children might get positive associations that would affect their choices even as adults. According to her, this would be a great idea, and she remembers her own childhood with her first experience in a disco that was organised by her own bank.

The example above can be understood further by investigating deeper the life situation of the respondent. She has three very young children (6 months and 3 and 4 years), and she explains how her whole life revolves around them. Moreover, she discusses the importance of good service for her, which again can be reflected in her expectations for a bank context.

I am willing to pay for good service, and I cannot stand poor service. ... If I get bad service, I will never go back. ... I really appreciate good service and easiness. (Person B)

Another respondent shares the importance of being treated in a positive way when visiting the bank with children.

The bank has not at all been active regarding our children, but they are always treated well there. During Christmas, the children needed to get some cash from their accounts, and they [at the bank] were very friendly towards us when we entered with our children. We did not get at all a feeling that we should soon get out of there. It was somehow a very positive experience, and I'm sure that the children have a nice memory of the visit as well. (Person M)

Respondent A, who has two teenage children, describes how she was taking care of her daughter's issues at the bank. Earlier, she described herself as a risk-avoiding person who appreciates easiness and time saving. Convenience for her means, things run smoothly in an efficient way. She explains how she appreciated when she was able to solve several issues simultaneously at the bank and thus was able to get a shortcut to her problem solving.

I appreciated when the same employee took care of the bankcard that I was picking up for my daughter as well as the money exchange, even though according to the bank's processes, one should have used different lines for these two different actions. (Person A)

The findings regarding the spatial dimension are related to the place where one can solve banking issues either in a *convenient* or *inconvenient* way. "Convenience" reflects the easiness of the bank visit and how all members of the family are treated in a way that forms value for the family as a unit. Table 27 summarises the quotes from the respondents describing the convenience of the choice of the location where to perform a service. The quotes are summarised as convenient or inconvenient. Like the individually experienced value, convenience as collectively experienced value indicates co-creation with the bank has led to positive value, whereas inconvenience has led to negative or neutral value. Therefore, the identified different entities of co-creation in the main category of the spatial dimension are defined, as "convenient or

inconvenient,” like the individually experienced service value related to the spatial dimension.

**Table 27 Examples describing the spatial dimension. The initials indicate identifiers of each respondent.**

Collectively experienced service value				
Technical	Functional	Temporal	Spatial	Personal
			<div> <div> <b>Place Convenient</b> <ul style="list-style-type: none"> <li>- Effective and flexible service</li> <li>- Easy to solve issues on the spot</li> <li>- Child-friendliness</li> </ul> <b>A,M,J</b> </div> <div> <b>Place Inconvenient</b> <ul style="list-style-type: none"> <li>- Bank is not child-friendly, difficult to visit with small children</li> <li>- Demand for every family member being present simultaneously at the bank</li> </ul> <b>B,K</b> </div> </div>	

Further investigation of the descriptions gives the following subcategories within the identified main category of *convenience* (Table 28). The new subcategory of child-friendliness is an interesting one and reflects the collectively experienced value of the total family.

**Table 28 Subcategories within convenience**

Subcategories	
<div> <ul style="list-style-type: none"> <li>- Bank is not child-friendly, difficult to visit with small children</li> <li>- Child-friendliness</li> </ul> </div>	Child-friendliness
<div> <ul style="list-style-type: none"> <li>- Effective and flexible service</li> <li>- Easy to solve several issues</li> </ul> </div>	Flexibility
<div> <ul style="list-style-type: none"> <li>- Demand for every family member being present simultaneously at the bank is complex</li> </ul> </div>	Simplicity

### 5.2.5. Personal dimension

To be treated in a trustworthy way as an equal does not concern only the mother of the family but also all other family members. When the respondents discuss their experiences with the personal advisor, they often refer to the relationship as something between the bank and themselves as “us.” This indicates how the family as a customer expects to be treated as a unit, as will be discussed next through examples.



Respondent G explains she often sends email or calls the personal banking advisor. According to her, it is absolutely positive to have this person who is familiar with the family's situation, as she does not have to explain everything from the start each time when contacting the bank. She explains how the process between the bank and the family runs smoothly because the banking advisor is so well aware of their situation.

One thing that counts is that it is a small bank and we have a personal banking advisor who knows us personally. ... When we opened the accounts for our children, they [the bank] prepared us all the papers and sent them home to us. Then I just brought them to the bank. ... It's all very easy and flexible. I do not have to explain everything to her from the beginning. She knows us so well. (Person G)

A trusted person can be a reason for even considering switching to another bank, as Respondent J expresses. She adds how smoothly things ran even when they were living abroad for a while.

It was very handy also when we lived abroad. Sometimes, we even sent her [the personal advisor] text messages when we needed assistance; we did not want to stay in the line when calling her since it would have been quite expensive from abroad. We know that she can assist us if there is a need, or she can even give guidance in things that you would not even think about actively. That's why we haven't even considered other banks. Like once, she told us that if we wanted to sell our house, the bank has connections with a Real Estate company and she knows someone there. We are not planning to sell our house now, but this was a valuable piece of information. (Person J)

The example illustrates how a trustworthy person has the possibility of suggesting issues the family finds useful for their possible future needs. This, again, gives the bank a better opportunity to become part of the customer's life by offering solutions that include potential value in the future.

Another respondent (L) addresses an issue regarding how things that can be unexpected or even unplanned sometimes need a quick solution. Like the above example of text messages, the distance coming to the bank can be an obstacle, but the problem needs to be solved quickly. In these kinds of cases, a trustworthy person at the bank has a crucial role, as she knows the customer well.

Like when you need a fast solution, you do not need to go through a terrible bureaucracy, but instead, it is enough that they know you at the bank and that your word can be trusted. Our personal advisor said that she understands this very well. When we then decided to buy a holiday house in northern Finland within 24 hours and we were still up there, we needed to get an answer from the bank more or less immediately. It worked out well then, as there was this person who took care of it.

The analysis also provides examples that are in contradiction of the mutual feeling of a trusted relationship. For example, Respondent H describes how both her teenage children have applied for bankcards from a different bank instead of the one where they had their accounts for years.

The bank has never treated us as a whole. The girls have their bankcards now from a different bank than I have. The older one applied for a card a couple of years ago, and the younger one when she got herself a job beside school and needed an account with a bankcard. The bank was never in touch with us regarding the girls even though they know their ages. Both of them opened accounts there for years ago for their child benefits.

The earlier example of Respondent A being positively surprised when she was offered the possibility of solving her bank-related issues in an unexpected, flexible way is also

related to the personal dimension, as she describes the role of the banking advisor in the process.

...I appreciated when the same employee took care of the bankcard. ...

This example among many others in this study discusses how the role of a person is intertwined with the other dimensions in the service process. The personal dimension indicates the importance of trust that is related to bank relationship. The personal dimension reflecting the relationship is in this thesis described as trustworthy or untrustworthy. Table 29 summarises the quotes from the respondents, related to the personal dimension describing the collectively experienced value of personal service. The activities have been summarised as trustworthy or untrustworthy describing whether co-creation between the different family members and the personal service advisor has led to positive or negative value for the customer unit. Therefore, the identified different entities of co-creation related to the personal dimension are defined as trustworthy and untrustworthy in the same way as in individually experienced value.

**Table 29 Examples describing the personal dimension. (The initials indicate identifiers of each respondent.)**

Dimension	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Main category					

Person <i>Trustworthy</i>	Person <i>Untrustworthy</i>
<ul style="list-style-type: none"><li>- Trusted relationship</li><li>- Knows the family's background</li><li>- Positive manner of the service person in charge</li></ul> <b>G,L,J,A</b>	<ul style="list-style-type: none"><li>- Bank is passive in the relationship</li></ul> <b>H</b>

The following table presents the identified subcategories within the main category of *trustworthiness* (Table 30).

**Table 30 Subcategories within trustworthiness**

Subcategories	
- Trusted relationship	Trust
- Knows the family's background	Familiarity
- Positive manner of the service person	Personality
- Bank is passive in the relationship	Activity

### 5.2.6. Discussion

This section focused on analysing collectively experienced service value in the invisible interactions between the family members. The same dimensions – *technical*,

*functional, temporal, spatial, and personal* were utilised for the analysis as in the previous section's discussion of visible value co-creation between the mother and the bank. The analysis of this section illustrates how the respondents discuss the experienced service value resulting from their individually experienced service value and from how the whole family experiences service value. The findings indicate the bank as a provider should widen its understanding of experienced service value to cover the needs of all family members, including when they are invisible to the bank. The analysis shows that, when the invisible family members occasionally become visible for the bank in the interaction, for example, when the children visit the bank with their parents, the bank gets a wakeup call and remembers to offer service targeted for children.

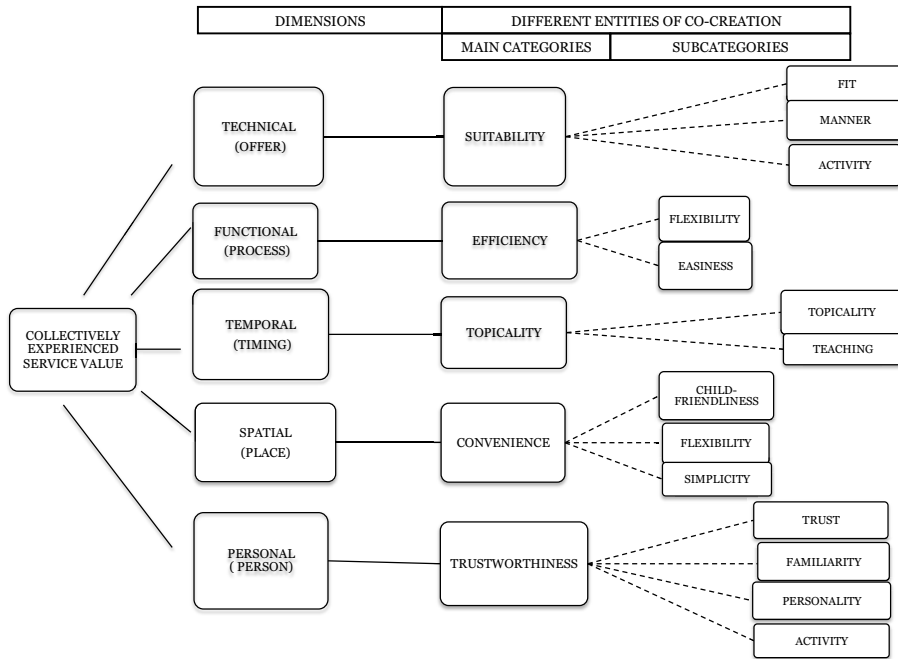
Table 31 summarises the findings of this section discussing the collectively experienced service value resulting from co-creation between the different family members as actors within a customer unit. The table illustrates how the experienced value results from co-creation that is investigated through the five dimensions. The dimensions have been explored deeper with the help of the definitions "what," "how," "when," "where," and "who," all related to a family's diverse experiences of banking service interpreted through the mother.

The lowest row of the table presents the identified main categories of the different entities of co-creation in each dimension. The table illustrates when co-creation has led to positive value (e.g., through a *suitable* offer), whereas the latter term indicates negatively or neutrally experienced value (e.g., an *unsuitable* offer).

**Table 31 Collectively experienced service value resulting from different entities of co-creation**

Dimensions	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	Personal
Different entities of co-creation	<b>Offer</b>	<b>Efficiency</b>	<b>Timing</b>	<b>Place</b>	<b>Person</b>
	Suitable / Unsuitable	Efficient / Inefficient	Topical / Non-topical	Convenient/ Inconvenient	Trustworthy/ Untrustworthy

When exploring further, it is possible to identify subcategories in each of the identified main categories, using the same principle as in the previously presented model for individually experienced service value. Based on the analysis of this section, the following categorisation model presents different entities of service value co-creation in invisible interactions (Figure 25). The model summarises the identified different entities of co-creation of each value dimension.



**Figure 25** Categorisation model illustrating different entities of co-creation in invisible interactions

Before moving to the discussion of the categorisation model summarising the analysis of individually and collectively experienced service value, the two observations conducted for this study will be discussed.

### 5.2.7. Investigating value co-creation through observation

The aim of this discussion is to exemplify how the five dimensions can be recognised through observations to strengthen the findings of the conducted interviews of this study. The two observations at banks are discussed as small study within the study to illustrate how a service process can be more complicated for the provider than planned beforehand, as the needs of a “silent” family member are somewhat present. Furthermore, this section illustrates how enlarging the understanding of what has happened before and after the observed situation widens the findings of an episode and shifts the focus toward investigating a relationship.

During the research process, I had the chance to follow two different meetings in two investment banks. These two observations were conducted by following two discussions – the first one between the bank and the mother with one of her children and the second one between the same mother and the bank without children being present. The chance to participate as an observer arose when I asked Respondent N for her willingness to participate in my research. She explained she was willing to participate, and she was, in fact, going to visit two investment banks within the coming two weeks. I asked for permission from all parties (mother, child, bank) to attend the meetings and explained my role was to observe the situation, not to take part in the conversation. I wrote an email to the bank’s contact persons whose names I received from the

respondent and explained this would be part of my doctoral studies. We agreed upon confidentiality regarding the sums of money, the names of the banks, and bank personnel.

The analysis of the two observations responded to the presented categorisation model illustrating how the five dimensions can be used to analyse experienced service value as a consequence of co-creation in visible and invisible interactions.

#### *5.2.7.1. Analysing experienced service value through the five dimensions*

The observations indicate the five dimensions can be used to investigate experienced value, not only during the service episode but also before and after it. First, the findings from the first observation will be discussed. Thereafter follows the discussion of the second observation.

In the first observational situation, the mother was meeting an investment manager with her 16-year-old teenager. Before the meeting at the bank, I had a brief telephone interview with the respondent to find out the background for this meeting. She explained she decided to take her teen with her to meet an investment manager who had promised to present different investing options for the teenager. Interestingly, the mother had first met this person based on a telephone call from the bank, and after the meeting, she had a strong feeling this female investment manager was willing to help her find the best solutions. The mother had indicated she is a risk-avoiding person, but she would like to bring her child with her to the bank to discuss future possibilities regarding how to practise investing money on a small scale.

During the observation, I made field notes, and in my analysis, I noticed the different dimensions were intertwined. I also noticed that, based on the interview that was conducted before the observation, I had received valuable information regarding the needs of the family as a customer unit. More specifically, the five dimensions enabled a deeper understanding of the customer unit during the observation and before it. Two telephone interviews with the respondent were conducted after the observation, as it was essential to know the final decisions of the family concerning investment decisions. The first interview one took place a week after the observation situation, and the other one, during the analysis phase to specify conclusions and findings.

The same structure for analysing the interviews of this thesis was used for the field notes from the observations. This will be elaborated next.

The technical dimension in the observation describes the offer in the situation. In the observed situation, the suitability of the offer remained questionable. The person in charge – the investment manager – made no clear offers, as she was talking mostly to the mother, who was asking specific questions and seemed to be well aware of different options available.

The functional dimension describes the process that, in this observation, had no clear structure. The conversation was mostly a dialog between the mother and the investment manager, whereas the teenager took part only occasionally, when asked. The manager was using several bank-related terms but was not actively addressing the teenager. The teenager soon seemed to lose interest in the meeting.

The temporal dimension related to the age of the teenager who had started to show interest in the possibility of investing money. The mother had been the one suggesting this meeting for the teen, as she said afterward that investing is a family heritage.

The spatial dimension describes the place, the investment bank, where the meeting took place. For this kind of meeting, it was a natural place to discuss the issue, as the mother wanted to bring the teen to meet the manager at the bank. When the conversation moved on, the mother was told that, in certain investment issues regarding the child, both parents would need to come to the bank and sign papers, as the child was a minor. In this case, the mother did not see it as a threshold or as inconvenient to visit the bank again if needed.

The person in charge played an important role in this case. Although she was more selling than listening, her behaviour was pleasant. She had a lot of information, but in case something was missing, she was immediately ready to check it and respond later. According to the mother, this whole meeting occurred because she felt the investment manager was honestly interested in helping the mother find the right kind of solutions.

The second observation took place on the following day. Only the mother was attending the meeting; no other family members were present. Before this observation, I conducted a brief telephone interview with the mother, who explained how this investment bank had contacted her because some of her investments had recently terminated. She explained that, because this bank coincidentally contacted her in the same week she received a telephone call from the above-discussed bank, she decided to pay a visit to this one as well to compare offerings. But it seemed she did not have very high expectations of the coming meeting, partly due to the way they had handled her issues so far. She said basically everything was taken care of, but during the past five years, she had only received basic reports; otherwise, no one had been in touch with her.

The five dimensions were used to analyse this second visit as well. First, the technical dimension, the offer, remained very unclear. The person in charge at the bank had not done a background search of the respondent's desires. In fact, the person who had originally contacted the respondent and asked for the meeting had informed her by email the day before that another person would take of the meeting.

It was easy to see the person from the bank was uncertain of what to offer, and the respondent was prepared with several detailed questions. She also mentioned her children might be more interested in investing money than she, but the bank did not react to this fact during the meeting. The functional dimension describing the process stayed very inefficient. The person in charge had to leave the meeting room to find material that would be more updated, as he realised he only had old brochures available at the meeting. Although the temporal dimension from the respondent's side would have offered a perfect possibility for new investment offers, the bank neglected this totally. As this was the first time the respondent was visiting the bank, it would have been a good opportunity for fruitful discussions.

At the end of the meeting, the bank employee told the respondent the person who actually would be the right one to take care of her needs would contact her when suitable offers occurred. His final words were, "If you need something, be in touch with us!" As we left the bank, the respondent laughed and said, "That guy was only waiting to go out for a beer with his friends on a Friday." During our short conversation, she

compared the two meetings with the different investments banks according to the following.

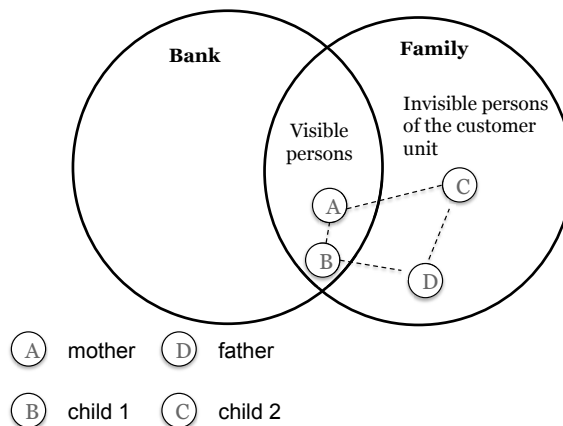
From the girl [referring to the first meeting], I got the feeling that she at least tried to walk in my shoes.

Moreover, she added that, because the female investment manager had spent so much time on the respondent, she would consider investing some money in that bank.

As such, it is pretty much the same in which of the banks you invest money, but the attitude of the girl was vital.

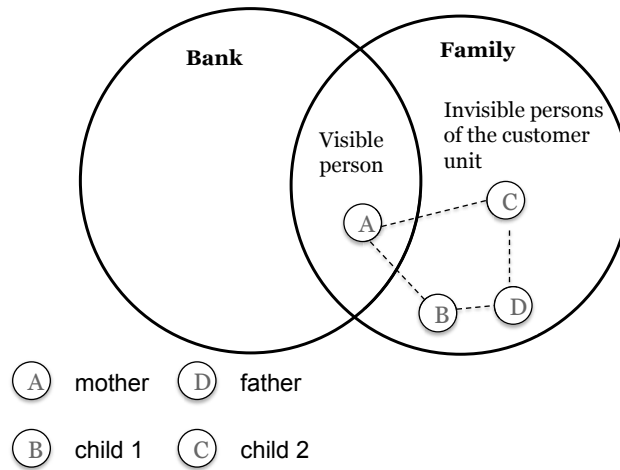
#### 5.2.7.2. *A customer unit perspective on visible and invisible value co-creation*

The analysis of the two observations illustrates the importance of understanding a customer unit perspective on visible and invisible value co-creation. As mentioned earlier, two brief telephone interviews were conducted with the mother after the observation to specify the findings. In fact, a very interesting finding occurs based on these interviews. The mother said that the child who was present in the meeting at the bank decided not to invest any money, but the mother made an investment of her own. She also made a small investment for the younger child, who was 14 years old – and according to the mother, was “not at all interested in these issues.” What makes this interesting is that the younger child was totally invisible during the whole process. Thus, the invisible co-creation within the family between the mother (A) and the son (B) first led to a meeting with the bank, and both these persons became visible (Figure 26.)



**Figure 26** Child B becomes visible at the bank, whereas Child C and the father remain invisible.

As an unexpected solution, the invisible child (C) became involved in the final decision through the mother, who was originally the only visible person for the bank. But throughout the whole process, the child, C, remained invisible, like the father. He was only mentioned in the first meeting, as his signature would also be needed for a minor's contract (Figure 27).



**Figure 27 Only the mother is visible, whereas the rest of the family remains invisible.**

The findings of the first observation indicate the family as a customer unit can act in a very unexpected way. That again underscores the importance of the service provider seeing past the visibility line and thus becoming better embedded in the life of the whole family.

The findings of the second observation again illustrate how the invisible persons remained invisible, as the bank was not interested in the children, despite the mother's mentioning them in the conversation. Consequently, the bank lost its visible contact.

#### **5.2.8. Categorisation model for investigating different entities of service value co-creation**

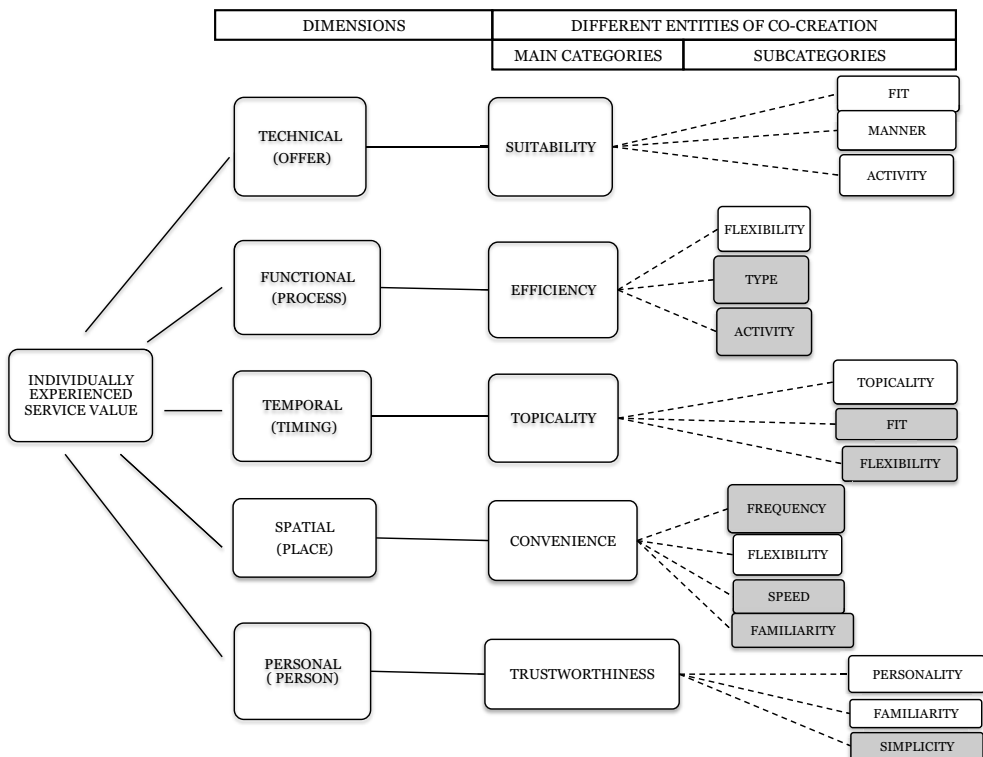
This chapter illustrated it is possible to examine different entities of service value co-creation in visible and invisible interactions. The model illustrates how the identified main categories in the five value dimensions are similar in visible and invisible interactions. The main categories were identified by using specific question words for each dimension: what, how, when, where and who, all of which are related to the customer unit's diverse experiences with banking. The main categories emerged from the data, as the respondents used both "me" and "us" when describing their everyday lives and banking services. For example, in the temporal dimension, answers related to when the timing is right to receive offers concerning respondents' needs or children's needs. More specifically, respondents indicated the importance of the bank understanding when a specific offer is topical in the customer's life, rather than the bank sending it to a wide group of people.

However, when exploring further, it will be able to identify differences in subcategories in visible and invisible interactions. Hence, the findings illustrate how value co-creation must be investigated both between the provider and the visible person and between the invisible persons within the customer unit. This study indicates the need to go beyond investigating co-creation in a customer-provider dyad to cover also the multiple dyads within a family that often remain invisible for the service provider.

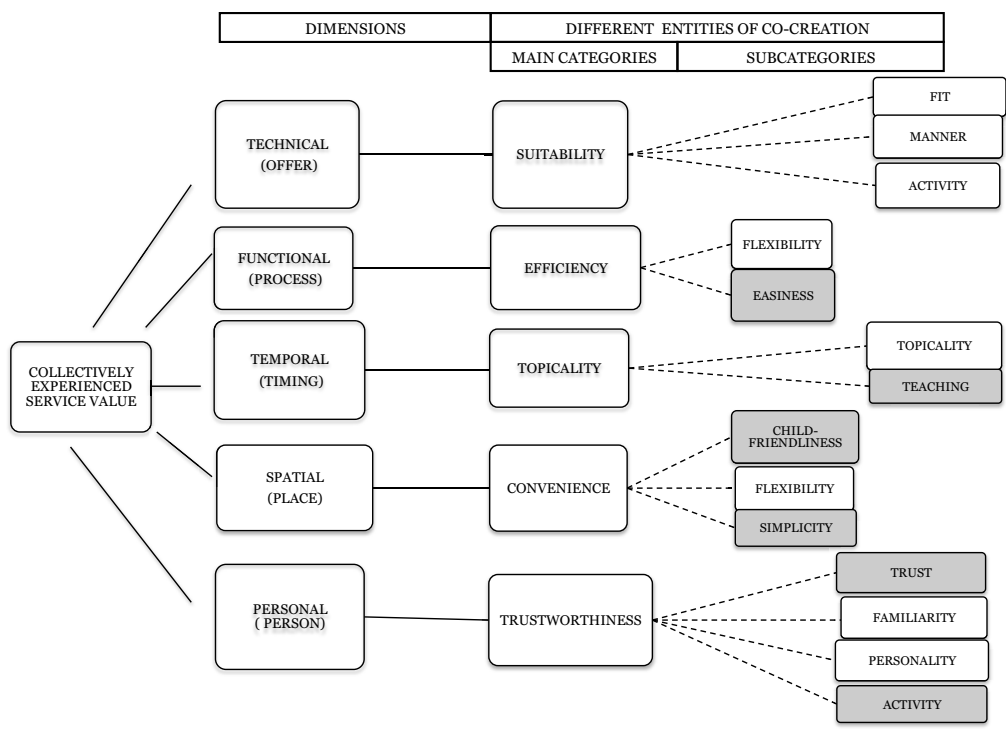


The following Figures 28 and 29 present the categorisation model of this thesis. The model is presented separately for both individually and collectively experienced service value to highlight similarities and differences. Grey areas in both figures indicate subcategories that were identified only in examining visible or invisible interactions. Hence, the findings illustrate the importance of exploring entities of co-creation beyond the main categories to identify various subcategories. When several family members are involved, complexity for the unit increases. For example, flexibility is identified as a subcategory in the functional dimension for both individually and collectively experienced value. However, when children are involved in the discussion, ease becomes essential, along with a desire for simple processes, such as not demanding that more than one person be present to pick up a new bankcard after one is lost. Similarly, the desire for education regarding banking services arises only when discussing actual and future needs of children. Hence, collective needs of the customer unit include aspects related to needs of several persons; thus, there is a desire for processes to be as smooth as they would be in meeting individual needs to reduce the everyday complexity of a family.

These findings will be elaborated on in Chapter 6.



**Figure 28 Different entities of co-creation in visible interactions**



**Figure 29** Different entities of co-creation in invisible interactions

## 6 DISCUSSION

This chapter summarises the main contributions of this thesis. The purpose of the study was defined according to the following:

*The purpose of this thesis is to explore how family as a customer experiences co-created service value.*

First, the theoretical contributions and implications are discussed. Thereafter, I elaborate on this study's empirical contribution with the methodological approach. This discussion is followed by the presentation of this study's managerial implications. The theoretical and managerial implications are partly intertwined, as they are discussed through the five value dimensions presented in the theoretical framework of this study. The chapter ends by discussing suggestions for future research.

### 6.1. Theoretical contributions of the study

This section presents the theoretical contributions of this thesis to the current conceptual discussion on service value co-creation. CDL argues that co-creation is not always an activity controlled by the company in the interaction, as service experience is a long-term process not restricted to one service episode. In this thesis, CDL is applied in the conceptual development, and the findings of this study contribute to CDL. This study investigated co-creation as a process in visible and invisible interactions leading to the customer's experienced service value. Empirical analysis indicated that experienced service value is a consequence of different entities identified in a co-creation process. Hence, this study defines co-creation as follows:

*A process in visible and invisible interactions consisting of different entities leading to experienced service value of the customer.*

Entities can be grouped as main and subcategories for closer investigation of co-creation. The main theoretical contribution of the study is the categorisation model (Figures 28 and 29) in Chapter 5, which enables investigating various entities of co-creation. The model illustrates how experienced service value is a consequence of different entities, both in visible and invisible interactions. This study argues service value is experienced by a family as a consequence of value co-creation not only in a dyadic interaction between the provider and an individual, but also in the multiple dyads within a family. This study shifts the focus from a dyadic, actor-to-actor (A2A) relationship toward an actor-to-actors (A2As) perspective when exploring value co-creation.

Thus far, service research literature has discussed the customer's experienced service value resulting from different value dimensions (Heinonen, 2004). This thesis enriches the discussion by illustrating how the different value dimensions can be used as platforms for investigating different entities of value co-creation. Due to the inductive reasoning process in the empirical part of the study, the findings contribute to service marketing research on value co-creation by clarifying the existing widely used terms like value co-creation and interaction. This follows the recommendation by Grönroos and Voima (2012), who argue that, in service literature, there is a need for more analytical analysis on value co-creation. Schlager and Maas (2012) argue that, from a

customer-dominant perspective, the investigation of interactions between company and customer is highly relevant.

This study illustrates how the five value dimensions, the *technical*, *functional*, *temporal*, *spatial*, and *personal* can be utilised as platforms for a deeper investigation of different entities of value co-creation. Next, the theoretical contributions of this thesis will be elaborated in more detail.

#### **6.1.1. Experienced service value**

First, the motivation for using the expression “experienced service value as a consequence of different entities identified in a co-creation process” will be discussed. It forms the basis for exploring how value is experienced, not necessarily actively created, by the customer or delivered by the provider to the customer. Earlier service research literature has discussed how the customer is in charge of value creation, equal to value-in-use, and the role of the provider is to influence as a value co-creator in the customer’s process, in which both actors are active (Grönroos, 2011a, Grönroos and Ravald, 2011, Grönroos and Voima, 2012). According to SDL, again, the customer has an active role as a co-creator of value when participating in the provider’s process (Vargo and Lusch, 2004, Payne, Storback, and Frow, 2008), and marketing is defined as a process of doing things in interaction with the customer where the customer is an active participant Vargo and Lusch, 2004, 2008). The focus has been on dyadic co-creation in interactions when both parties are active and the customer an unspecified term.

The empirical findings of this study demonstrate an individual is not always actively aware of different solutions or service that would fit into her life and make everyday life easier. The customer (in singular) might even feel her everyday life is overwhelmed with responsibilities and activities she needs to take care of. Some of the respondents expressed their wish for an external source for help. They said they would even be willing to pay for a service in which someone else brought them thought-through suggestions to make everyday life easier. This is the case, for example, when some companies combine the family’s banking and insurance issues. These issues were not actively present in the everyday thoughts of the respondents, but put aside to alleviate daily stress. These findings support the experiential perspective that recognises value in the context of customer experiences (Heinonen and Strandvik, 2009, Voima *et al.*, 2011, Helkkula *et al.*, 2012), and understanding value derived from consumer-to-consumer interactions (Baron and Harris, 2008, 2010).

The empirical study illustrates that, if the provider is better aware of the everyday life of the family representing a customer unit, it can strive for co-creation leading to desired end result for the different family members. For example, a bank’s increased understanding of offering car insurance at the right moment could lead to positively experienced service value for the mother.

This thesis re-conceptualized customer’s experienced service value by defining it as a consequence of different entities of value co-creation. The findings illustrate the investigation of service value co-creation should be twofold: firstly between the provider and an individual in visible interactions and secondly in the invisible interactions between the different actors within the customer unit. This brings new insight into service research within b-to-c marketing in which the focus has been on dyadic co-creation between a provider and an undefined customer. Consequently, co-

creation of value becomes a less blurry definition for something that takes place in a customer-provider interface.

This thesis contributes to CDL by illustrating how customers do not experience value only during a service episode in the visible interface but when the service becomes embedded in the customer's life before and after the episode, as defined by Heinonen *et al.* (2010). Besides the experienced value in the past, now, and in the future, this thesis enriches CDL by making a distinction between a customer in singular (one person) and in plural (several persons as actors) within a specifically defined customer unit. This study also brings new insight into service research as the existing literature has mainly discussed customer's experienced value rather as value-in-use focusing on the interaction between two parties, the customer and the provider, or as customer's sole value creation (Grönroos, 2011b). Thus far, the customer's everyday life as a context full of different actions and experiences in which a specific service should become embedded has only recently started to raise interest (Heinonen *et al.*, 2010, Voima *et al.*, 2011).

This thesis contributes to service research by recognising the importance of taking a deeper look into the customer's whole life sphere to understand the role of a specific service within it. Helkkula (2010) earlier contributed to this discussion by recognising the importance of analysing service experiences in an individual's social life covering both the past and the future, not focusing only on a single service experience. This study recognises the investigation of co-creation should cover the individually and collectively experienced service value of a family, including the past and the future.

In this thesis, the examination of experienced service value of the family was conducted by utilising the five value dimensions, namely the technical, functional, temporal, spatial, and personal as platforms for investigating different entities of co-creation. The five dimensions will be explored in Subsection 6.1.2.2. Before that, the categorisation model for investigating different entities of service value co-creation will be discussed.

### **6.1.2. Categorisation model for value co-creation**

This section discusses the categorisation model for investigating different entities of service value co-creation. Presenting the identified similarities and differences in individually and collectively experienced service value will do this. The following contributions of the categorisation model will be discussed deeper in the following order: co-creation in interactions and five dimensions as platforms for investigating different entities of co-creation.

#### **6.1.2.1. Co-creation in interactions**

This thesis contributes to the discussion on value co-creation in interactions within service research. The findings of this study emphasise the importance of clarifying interactions in value co-creation. Like the definitions of value and value co-creation, the term "interaction" has been discussed and used in service marketing literature in several ways. For example, SDL (Vargo, Maglio, and Akaka, 2008) discusses it as a phase of a process in which two systems meet to decide whether to accept the value proposition of the other system. According to this view, interaction equals exchange, as value is either exchanged or not. Kowalkowski (2011) draws from SDL and states how value-in-exchange and value-in-use can change over time during a sales process. According to him, due to the nature of dynamic value creation, managers should better

understand inter-firm and intra-firm interactions. Based on the literature review, it can be concluded that SDL recognises interaction as an exchange point for value propositions.

Interestingly, in an article that was published after my empirical analysis, Grönroos and Voima (2012) have recognised on a conceptual level the need to make a distinction between direct and indirect interactions. According to the authors, interaction is a dialogical process in which both customer and provider are active. Further, they state that, in direct interactions, both actors can actively influence the process simultaneously, whereas in indirect interactions, a customer can use resources that are outputs of the firm's process like products, but the provider is not actively present.

The findings of my study demonstrate the investigation of value co-creation should be extended beyond the *visible interactions* at the provider-customer interface to cover, for the provider, *invisible* interactions of a customer unit (Arantola-Hattab, 2012). The reason for dividing the interactions into visible and invisible arises from the findings of my study, which show firms should become better aware of invisible value co-creation within the customer unit in addition to co-creation in visible service interactions between the firm and a single person as a customer (Arantola-Hattab, 2012). Thus, the findings indicated the divide between visible and invisible interactions was more significant than a separation between direct and indirect interactions. For example, a respondent illustrated that she needed to sign a huge number of papers for a specific service she had requested from the bank. In the situation, she was the visible person for the bank. Later, she explained she contacted the bank when her son wanted to have his own bankcard. Despite the bank's knowing the ages of her children, she was the one to take initiative. The children and their actual needs leading to co-creation within the family had remained invisible for the bank and were only realised when the mother approached the bank for this specific need. Therefore, an improved understanding of both the visible and invisible co-creation of the customer unit would enable the bank to take a more active role in the relationship.

The findings of this study show the importance of empirical studies in theory building. As earlier scholars have noted, value is also created in invisible and mental settings (Heinonen *et al.*, 2010, Voima *et al.*, 2010), and interactions between provider and customer can also be imagined (Helkkula, 2010, 2012). This study contributes to the notification of interactions between the customer and the provider being also advertisements, virtual or word-of-mouth (Grönroos and Voima, 2012). This thesis suggests further that, with technology's rapid changes, there is a need to develop certain terms and concepts like "interaction." If "interaction" earlier had been characterised mainly as something in which both parties were simultaneously present, the development of information technology has led to situations in which the simultaneous person-to-person presence is not necessary. For example, paying bills on the Web in the empirical study was recognised as something that was taken for granted. In other words, the bank has made a proposal of a system to be used efficiently and easy, and both parties benefit. Likewise, other solutions in the future will enable effortless ways of service, which demands we follow the technological shift when using and defining words, as the aim of research is to produce new knowledge.

It can be argued that, despite the slightly different focus, the empirical findings of my study and the recommendations by Grönroos and Voima (2012) recognise the need to investigate interactions between the provider and the customer and the interactions within the customer's own sphere. Based on my empirical findings, co-creation in visible interactions leads to individually experienced value. The study indicates the

interviewed mothers discuss their co-creation with the bank in singular, *me*, as the one who is interacting. Co-creation in invisible interactions again is defined to lead to collectively experienced value, as there are several family members as actors included, and the discussion is about *us*, through the interpretation of the mother. In the invisible interactions, the other family members who are mostly discussed are the children. The findings show the mothers feel the bank, as a service provider should notice the children better as a part of the family. It seems the bank is not always actively interested in the children's specific needs, and the interactions regarding bank-related issues within the family remain invisible. In fact, bank-related issues within the family could be opportunities for the provider, like being more aware of the needs of the children at a specific age. For example, offering a special bankcard to children would make the everyday life of the whole family easier because the annoying, daily discussions regarding cash would decrease. Therefore, this thesis recognises a need for a service provider to understand both individually and collectively experienced value of a customer unit in interactions.

#### *6.1.2.2. Five dimensions as platforms for investigating co-creation*

This thesis suggests that different value dimensions can be utilised as platforms for a deeper investigation of different entities of co-creation. The five dimensions under scrutiny in the study are discussed in the following order: technical dimension, functional dimension, temporal dimension, spatial dimension, and personal dimension.

The empirical analysis illustrated the respondents interpreted their service experience with their banks through co-creation. First, value co-creation in visible interactions, between the mother and the bank, was under scrutiny. However, it soon became evident during interviews how the respondents interpreted their experiences with the bank both as individuals, *me*, and collectively for the whole family, as *us*.

The findings demonstrate the identified main categories in the five value dimensions are similar in visible and invisible interactions (Table 32), whereas a deeper investigation identifies differences in the subcategories (Table 33). Hence, the study indicates there is a need to go beyond the identified main categories to define differences between individually versus collectively experienced service value.

Table 32 Main categories of different entities of service value co-creation

<b>Dimensions</b>	<b>Identified main categories of different entities of service value co-creation</b>
Technical (Offer)	Suitability
Functional (Process)	Efficiency
Temporal (Timing)	Topicality
Spatial (Place)	Convenience
Personal (Person)	Trustworthiness

Table 33 Main categories and subcategories of different entities of service value co-creation

	<b>Different entities of service value co-creation</b>		
<b>Dimensions</b>	<b>Identified Main categories</b>	<b>Identified Subcategories/ Individually experienced value</b>	<b>Identified Subcategories/ Collectively experienced value</b>
Technical (Offer)	Suitability	- Fit - Manner - Activity	- Fit - Manner - Activity
Functional (Process)	Efficiency	- Flexibility - Type - Activity	- Flexibility - Easiness
Temporal (Timing)	Topicality	- Topicality - Fit - Flexibility	- Topicality - Teaching
Spatial (Place)	Convenience	- Frequency - Flexibility - Speed - Familiarity	- Child-friendliness - Flexibility - Simplicity
Personal (Person)	Trustworthiness	- Personality - Familiarity - Simplicity	- Personality - Familiarity - Trust - Activity



The contribution of this thesis is that it provides new, deeper information regarding the experienced service value of a customer unit as a result of different entities of co-creation within the five value dimensions. By presenting these different entities, this thesis contributes to existing service research and enables a closer, more concrete way to investigate value co-creation.

It can be argued experienced service value results from co-creation in several dimensions that are dynamic in a customer unit. This notification depicts a service as more than an episode, or even a single process with a beginning and an end; rather, it is an on-going view aiming to serve a customer. In this thesis, the examination of the five different dimensions separately clarifies how these dimensions can be utilised as platforms for exploring different entities of co-creation. Next, the findings within the five dimensions will be explored.

### *Technical dimension*

The findings of this study follow the notification of the technical dimension representing the offer and hence contribute to earlier studies within service research. In this thesis, the final offer was recognised to be a loan, bankcard, and insurance that the customer received as the final offer from the bank. Because the offer leads to the experienced service value of the whole customer unit, this thesis argues it is important to understand more deeply the final realisation of the received offer. When the respondents discussed what they had received or the bank had proposed the concrete answer could be a loan for a car or a bankcard for a child, for example.

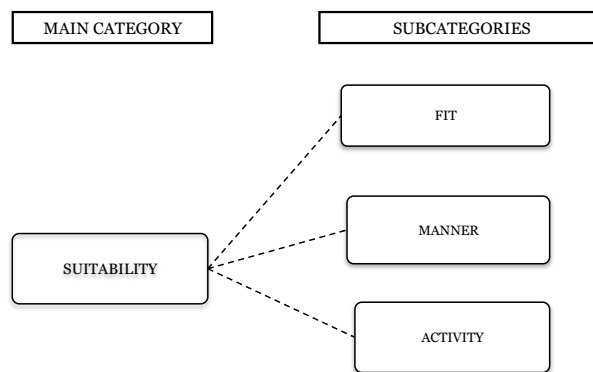
The study analyses whether the offer was considered suitable or unsuitable for the family as a customer unit, based either on the mother's needs or on the needs of the family members. For example, when discussing a car loan, the focus was more on the individual needs than when discussing bankcards for children, when the experienced service value for several family members was included. If the respondent felt something suitable had been offered in the interaction with the bank, positive service value was experienced through co-creation. If the offer was discovered to be unsuitable, the experienced service value was either negative or neutral.

This thesis emphasises the importance of understanding the reasons behind the customer's experienced service value. For example, the study shows experiences in the past may affect future expectations. One of the respondents (Person D) explained the family had asked for saving possibilities for the children, but the bank had offered them investment funds. Based on their earlier negative experiences regarding her and her husband's pension funds that did not generate value, they were not thrilled about the offer. The offer did not meet the family's expectations but was experienced as unsuitable.

The main categories representing the final entities of co-creation were identified to be similar for both individually and collectively experienced value. That is, *suitability* was discovered to be the main category for the technical dimension. When exploring further, the subcategories within this dimension were discovered to be the same, despite the difference in focus being on the individual or collective level. The identified subcategories are the following:

- *Fit* – describing how the offer fits in the current life situation of the customer.
- *Manner* – describing if the manner is suitable when the provider offers a service (e.g., flexible, not too pushy).
- *Activity* – describing the initiative level of the bank toward the customer.

Figure 30 illustrates the identified different entities of value co-creation related to the technical dimension.



**Figure 30 Different entities of co-creation related to the technical dimension**

#### *Functional dimension*

According to Grönroos (1982, 2011a), the functional dimension illustrates how the customer experiences the process in the customer-provider interaction. Grönroos includes the behaviour of the service employee, like trustworthiness, in this dimension. As mentioned earlier in Chapter 3, this study recognises a need to investigate separately the role of personal service as personal dimension, which will be discussed after the temporal and spatial dimensions. In this thesis, the functional dimensions describe how a service process is experienced. The contribution of this thesis is that it widens the scope of how a service is experienced in the customer's daily life by investigating it through the different entities of co-creation.

In the empirical study, easiness and flexibility were often related to an efficient process because it enables the individuals to take care of daily banking issues in an effortless way. For example, some daily routines like paying bills on the Web is something that is taken for granted. If the system is down or not working, a person gets annoyed. Ease of use in a technology-based, self-service context has been recognised in earlier studies (Heinonen, 2004, Gummerus, 2011), and efficiency has been related to immediate fulfillment when being able to pay bills immediately (Laukkanen, 2007). Thus, this thesis contributes to these earlier findings. Furthermore, it deepens the knowledge by illustrating through empirical findings how co-creation between the customer unit and provider does not necessarily demand a direct interaction when both actors are actively present in the process simultaneously. The findings indicate the respondents do not

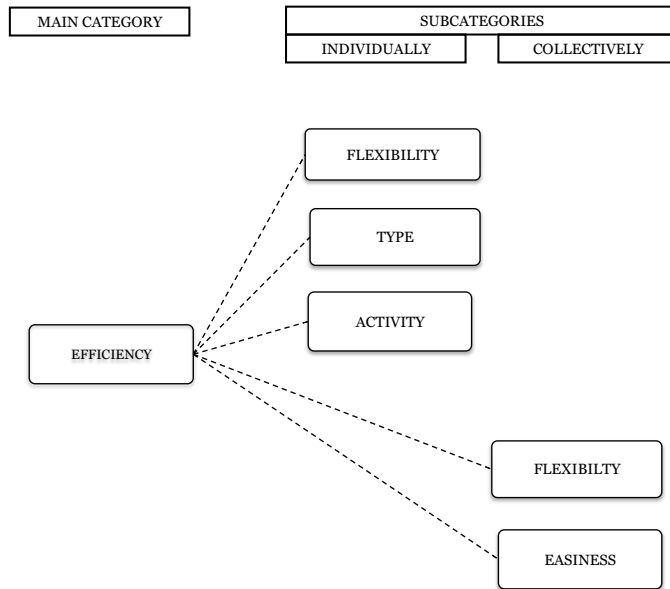
make a distinction whether the experienced service value resulted from an efficient self-service process or a process of simultaneous physical appearance of the different parties.

The findings prove it is important to receive easily understandable material from the bank independent of the source of information. This includes, for example, direct mail and receiving papers from a face-to-face meeting. The findings show all the material that is not easily comprehensive is unnecessary and an inefficient way to co-create value.

As in the technical dimension, in the functional dimension, the main categories representing the final entities of co-creation were identified to be similar for both individually and collectively experienced value. That is, *efficiency* was discovered to be the main category for the functional dimension. When exploring further, there were differences in the identified subcategories within this dimension. The identified subcategories are the following:

- *Flexibility* – describing how to deal with daily routines and getting assistance in unexpected problems. This subcategory was recognised both for individually and collectively experienced value. In both cases, the focus was on making everyday life easier with the help of flexibility when solving daily routines.
- *Type* – describes a way of receiving information in a desired format that is not too complicated to go through (individually).
- *Activity* – describing the desired activity level of the bank showing interest toward the respondent's needs (individually).
- *Easiness* – things running smoothly and fast (collectively). Easiness and non-complexity were discovered to be important for the respondents when dealing with the banking issues for the whole family.

Figure 31 illustrates the identified different entities of value co-creation related to the functional dimension.



**Figure 31 Different entities of co-creation related to the functional dimension**

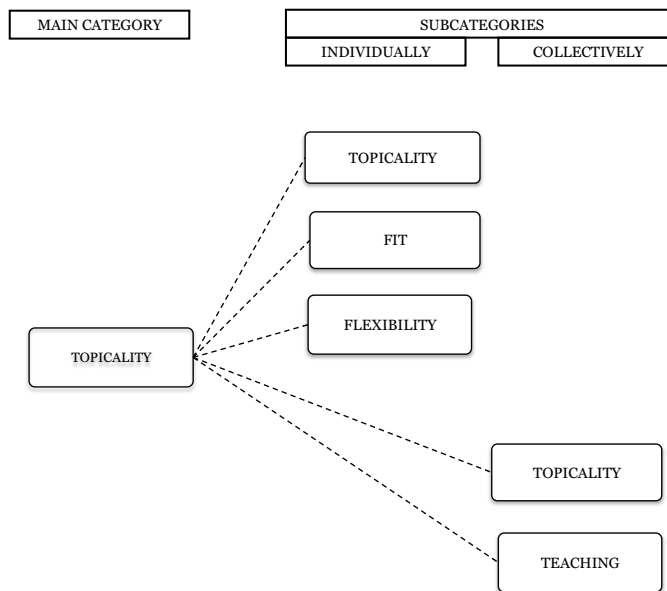
#### *Temporal dimension*

In this study, the temporal dimension is related to the right timing of the service offer in the respondent's life. The temporal dimension has earlier been discussed within e-banking service as "time-use," referring to the time that is used for performing a specific service, or as temporal flexibility regarding when to perform a service (Heinonen, 2004). This thesis recognises the importance of flexibility regarding timing but discusses it from a slightly different perspective. In this study, flexibility is related to the possibility of choosing a suitable time to perform bank-related functions, including other than e-service. For example, the respondents discussed the possibility of visiting the bank outside official opening hours to sign ready-made papers regarding their own personal needs or the needs of the family members as a positive way to solve banking issues in their hectic daily lives. This service was offered by some of the banks, and highly appreciated by the respondents, who described it as incredible flexibility. Furthermore, the findings of this study describe the significance of a service provider having right timing when approaching with an offer. For example, the respondents discussed how they experienced negative value if the bank was neglecting the needs of children of different ages. This finding contributes to CDL, which recognises the need to understand the service offering as something appropriate and topical in the customer's life context.

As in the technical and functional dimensions, in the temporal one, the main category representing the entities of co-creation was identified to be similar for both individually and collectively experienced value. That is, *topicality* was discovered to be the main category. Like in the functional dimension, the identified subcategories within this dimension were different. The identified subcategories are the following:

- *Topicality* – describing the right timing for being offered service in one’s life, either based on individual needs or needs of the other family members.
- *Fit* – describing what kind of offers fit in one’s life situation.
- *Flexibility* – referring to the chance to choose a time suitable to performing banking-related activities.
- *Teaching* – describes the willingness of a bank to perform an educational service targeting children.

Figure 32 depicts the identified different entities of value co-creation related to the temporal dimension.



**Figure 32 Different entities of co-creation related to the temporal dimension**

### *Spatial dimension*

The study demonstrates the importance of a place where a customer wants to utilise a service. Earlier research has emphasised a customer respects the independency of place when performing e-banking routines like paying bills (Heinonen, 2004). Heinonen’s study indicates spatial flexibility denotes the customers’ ability to choose the physical place to perform e-banking issues. This thesis contributes to the findings and simultaneously widens the scope by discussing other services than e-banking. The spatial dimension in this study is related to convenience regarding the possibility to choose where to perform banking activities.

The findings show the temporal and spatial dimensions are intertwined, as visiting the bank branch is often mentioned as time consuming. The long waiting times at a bank,

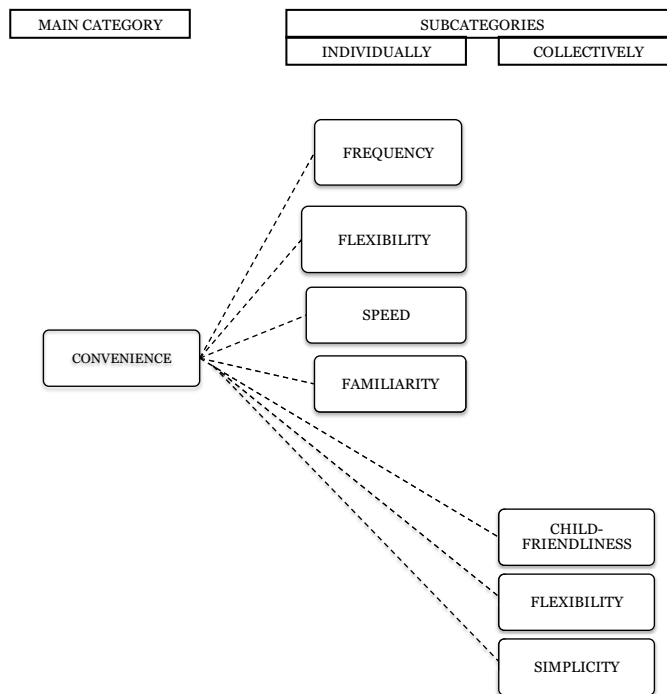
for example, are mentioned as annoying. When visiting the bank with children, the respondents feel they should all be treated as one. If the mother believes the bank is not child-friendly or the process gets too complicated, a feeling of inconvenience arises from the service situation.

Conversely, if the service process at the bank runs smoothly in an efficient way, the respondents felt positive value was co-created. For instance, being able to take care of several issues with the same banking advisor was experienced in the study as unexpected flexibility that made the situation more convenient than the respondent had expected. Similarly, a feeling of convenience was reported to arise from a meeting where things were well prepared by the bank in advance. In bigger issues like negotiating a house or car loan, the respondents feel going to the bank branch is a natural part of the process. If the arrangements can be done partly prior to the meeting, for example, on the Internet or over the phone, the co-created value reflects the convenience regarding the possibility to choose the physical place for performing a service. This is in line with Pura and Gummerus (2007) who argue the use context is important for e-services. The authors make an interesting point as they state the use context may include other issues than time and place, for instance, alternatives and uncertainty. This thesis recognises co-created value in the physical use context reflects convenience or inconvenience regarding where to perform a banking service.

In the spatial dimension, the main category representing the entities of co-creation was in line with the previous dimensions identified to be similar for both individually and collectively experienced value. That is, *convenience* was discovered to be the main category. The identified subcategories within the spatial dimension were different. The identified subcategories are the following:

- *Frequency* – describing that visiting the bank only seldom was preferred from an individual's perspective. In more important issues, like in loan negotiations, it is more acceptable to visit a bank than in smaller issues.
- *Flexibility* – the bank's ability to meet the customer only at the bank branch was considered inconvenient. The flexibility to perform several bank-related issues simultaneously at the bank was experienced as convenient.
- *Speed* – describing the individually experienced speed of service at a bank.
- *Familiarity* – size of the bank branch reflects familiarity for an individual through intimacy.
- *Child-friendliness* – describing the bank's ability to serve all family members in an equally positive way during a visit at the bank.
- *Simplicity* – describes how too-complex processes, including demands for every family member being present simultaneously at the bank, causes inconvenience.

Figure 33 portrays the identified different entities of value co-creation related to the spatial dimension.



**Figure 33** Different entities of co-creation related to the spatial dimension

### *Personal dimension*

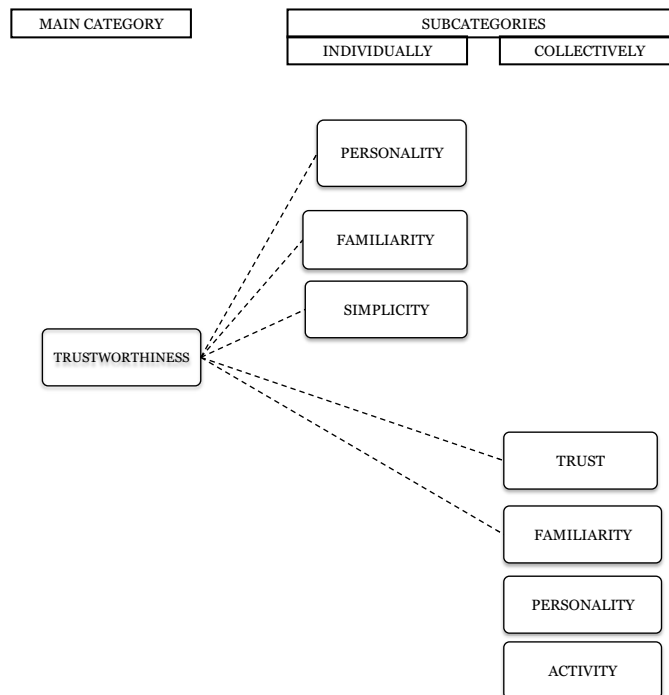
The reason for presenting the personal dimension as a separate one was established as the empirical findings indicated the importance of personal service at a bank. Although responsiveness from the service provider has been recognised as an important factor both in interpersonal and technology-based self-services (Heinonen, 2004), the role of the person has not been investigated as a separate value dimension.

The findings denote the importance of a banking person, or persons, taking care of different needs throughout the process. Moreover, the findings demonstrate that, though some issues run smoothly, there is often a desire for a banking advisor who can assist if needed. This person can either be a long-term partner or someone assisting to solve a specific need. In both cases, the experienced service value is established from a trustworthy relationship with a person who respects the customer's needs. A trustworthy person was discovered as someone who understands the needs of the whole family and assists in serving their needs. A trustworthy relationship is often a reason to stay as a customer and can be a reason to switch to another bank. This notification is interesting as it indicates how, despite rapid changes in the information technology and ever-increasing self-service culture, the need for personal communication still exists more strongly than we might expect. According to the respondents, the feeling of being treated as a human was important. The respondents explained how they appreciate when there is someone who knows them personally and they do not need to explain their whole life story every time they need assistance. Furthermore, a feeling of being a human to another human, as one of the respondents expressed it, illustrates the importance of a respectful, trustworthy relationship. Interestingly, a trustworthy person is not necessarily related to one specific person over

time, as changes in contact persons are accepted as long as the change process is easy and guarantees continuity for the whole customer unit.

In the personal dimension, the main category representing the entities of co-creation was also identified to be similar for both individually and collectively experienced value. That is, *trustworthiness* was discovered to be the main category. The identified subcategories within the personal dimension were different. The identified subcategories are the following:

- *Personality* – describes the desire for an acknowledged advisor with a positive personality and manner toward an individual and the whole family.
- *Familiarity* – describes how the person at the bank is aware of the life situation and background of an individual and her family.
- *Simplicity* – related to an easy, simple way to reach a personal advisor for different needs.
- *Activity* – describes the desired activity level of a bank when serving the needs of different family members.



**Figure 34 Different entities of co-creation related to the spatial dimension**

This section summarised the theoretical contribution of the study. The categorisation model illustrating experienced service value as a consequence of different entities of co-creation was discussed. The identified main categories and subcategories of the entities were elaborated. The next section will discuss the empirical and methodological



implications of this thesis. Thereafter follows the discussion of the managerial implications of the study.

## **6.2. Methodological and empirical implications of the study**

The methodological contribution of this thesis shows how reality is seen as socially constructed and experienced. This is in line with the recommendations by Voima, Heinonen, and Strandvik (2010), who argue value perspective in the provider-driven view is ontologically thin, and a broader view is needed. The study used a research method that takes inspiration from ethnography and produced knowledge about how a specific group of people interacts with the environment. In this study, the method consisted of semi-structured personal interviews and observations investigating how a specific service can become better integrated in a customer's everyday life. Interpretivism formed the philosophical position concerned with the subjective and shared meanings of the respondents consisting of working mothers in the empirical study.

The empirical study investigated individually and collectively experienced service value through the interpretations of the respondents. The empirical findings of my thesis challenge firms to strive for an increased understanding of a customer's system, as also suggested by Voima *et al.* (2011). In my thesis, the customer's system was limited to a family, as the aim was to produce knowledge regarding how a family as a customer experiences co-created service value. It is notable that a customer's ecosystem in a broader context includes several other actors, like friends or different communities whose influence would be interesting for further research but were excluded from this study.

The study showed a family is always a dynamic customer unit. Therefore, it is essential for the provider to understand how to follow continuously the life situation of the different family members – for example, the ages of the children, as teenagers have different needs compared to small children. The findings demonstrate how the different family dyads interact with each other constantly, as also mentioned by Caprara and Cervone (2000) and the family members support each other. The study indicates how continuous co-creation between the family members affects the experienced collective value of the family as a customer unit. Thus, it can be concluded that a family represents a stable relationship with dynamic interactions. Compared with friends on a weekend cruise, for example, a family's value creation is more dependent on each member due to the solid, longitudinal relationships.

Taking inspiration from ethnography in this thesis means I became acquainted with the group by living as part of it in my own life and observing the daily life of the working mothers. Moreover, interviews and observation formed the empirical study. According to my knowledge, ethnography has not been used earlier in service research to explore the experienced service value of a family as a customer unit.

Following Hill and McGovan (1999), in interpretative research, it is important to report my values as a researcher besides the received information from the respondents. Interpretivism has its roots in hermeneutics and phenomenology. The hermeneutic process of this study enabled me to conceptualise understanding of the phenomenon under investigation in a process that lasted for three years. A phenomenological study focuses on descriptions of what and how people experience. Living as part of the group enabled me to *return to the things themselves* (Husserl), and explore how people make sense of experience, both individually and as shared meaning (Patton, 2002).

The empirical setting with a semi-structured questionnaire enabled me as a researcher to stretch my focus from exploring individually experienced value to collectively experienced value. The qualitative methodology consisting of personal face-to-face interviews and observations produced empirically primary data to give insight into the respondents' authentic experiences. The ethnographic approach enabled a trusted relationship between the respondents and me as the researcher. Throughout the process, it was easy to talk with the respondents, and being allowed to attend the negotiations between one of the respondents and the bank was a sign of trust. I soon noticed the respondents were talking openly not only about their own experiences with banks but also the other family members were included. These findings contribute to the earlier discussion within CDL defining experienced value as a longitudinal and experiential process consisting of multiple phases coloured by individual and collective dimensions (Voima *et al.*, 2011).

During the discussions, there were often emotions involved, as the mothers stressed the importance of the family being treated as one. The atmosphere was open, and there seemed no room for any discussions of hero stories of mothers who can solve all problems. On the contrary, there was a wish expressed to the service provider to assist more in everyday life and thus make the life of the whole customer unit easier. Due to the empirical setting with an open and relaxed atmosphere, the respondents widened their scope from discussing the visible interactions between themselves and the bank to cover the invisible life of the family. This could be noticed, for example, through the following comments:

I think that banks should focus stronger on families with children. I just put money in one of my children's savings account. ... So it's like saying, "Hey, I'm bringing you a new customer"(Person A).

Or

The bank has never treated us as a whole. The girls have their bankcards now from a different bank than I have. ...(Person H)

The setting with the semi-structured questionnaire allowed flexibility for the respondents to discuss those experiences they found important to mention, covering the past and the future. This contributes to service research in which scholars have recognised the need to investigate value resulting from accumulated experiences that can be physical and mental and experienced in multiple and individual social contexts (Heinonen *et al.*, 2010, Helkkula, 2010, Grönroos and Ravald, 2011). The empirical implications of this thesis cover both the individual and collective meaning of experiences, as it recognises the importance of the family as the customer unit under scrutiny.

Earlier service research has emphasised a systems view (Maglio and Spohrer, 2008, Vargo and Lusch, 2011, Edvardsson *et al.*, 2011) as a contrast to service dyads between a single service provider and a customer. Edvardsson *et al.* (2011) describe how service systems are always embedded in a wider social system that affects them. The authors propose that value should be understood as value in the social context. In my study, the family was investigated as a dynamic customer system that included several actors experiencing value. Hence, this study shares the same interest in investigating value in a social context at individual and collective levels. This study discusses the customer's system, which, according to Voima *et al.* (2011), has lacked focus in service research. Therefore, empirical implications of this study contribute to this discussion by presenting how family, as a customer's system, experiences service in the context of

daily life. Empirical findings contribute to the earlier discussion in CDL, according to which a customer's system consists of actors within the customer's sphere who are relevant to and involved in the process of experiencing a specific service (Voima et al., 2011).

In service research, phenomenology has often been discussed as subjective, contextual, and retrospective (Van Manen, 1990, Patton, 2002). Recently, the aspect of future expectations within phenomenology has been added to the discussion (Helkkula, 2010). According to Helkkula, there is a lack of empirical studies based on the phenomenological approach discussing service experience. This thesis contributes to this discussion because it constructs a meaning of lived experiences in the past and imagined ones in the future.

As the literature review of this thesis indicated, empirical studies regarding value co-creation are scarce. Grönroos and Voima (2012) call for more empirical research to investigate value creation and value co-creation and recognise the need for less frequently applied methods in marketing research, such as ethnography. The findings and conclusions of this study are built on the longitudinal experiences throughout the research process and thus give a wider perspective on the different entities of co-creation experienced by the group under investigation.

### **6.3. Managerial implications of the study**

This section presents the managerial implications of this thesis. The focus of this study was on exploring how a family as a customer experiences co-created service value. The investigation of experienced service value of a family as a customer unit has implications for marketing practitioners.

The managerial contribution of the thesis gives guidance to companies regarding how to extend their understanding of a customer's experienced service value. The presented categorisation model offers new information and guidance for different companies how to focus on relevant co-creation in their own specific business area to become better embedded in their customers' lives. This thesis illustrates how an increased understanding of different entities of co-creation generates new knowledge regarding how companies can sustain valuable relationships with their customers. The illustrated main and subcategories are identified through the five value dimensions and therefore it can be argued that the presented categorisation model can be generalised to other service fields.

This thesis argues its findings are essential for a bank as a service provider that needs to shift the focus from only focusing on dyadic interactions to cover also the multiple interactions within a customer unit. Next, the managerial contributions for a service provider will be discussed through the five value dimensions under scrutiny in this study.

#### *Technical dimension*

The technical dimension in this study was recognised to represent a final offer such as a loan, bankcard, and insurance that respondents were offered by the bank. The managerial implication is that banks as providers should identify which offers are the most suitable ones, not only for an individual but also for the other family members. The findings show there are also offers that are not found suitable for the current needs of a family: Namely, in some cases, respondents felt there are offers that they do not

find suitable, and thus, they can be omitted because they can lead to negatively experienced value if the customer perceives them as annoying. For example, one of the respondents described how the bank was *pushing* a MasterCard at a meeting when she was actually interested in a house loan. This illustrates that, despite the existing focus of service marketing on customer orientation, the view is still often provider driven. There has been a change from push to pull in service marketing and a shift from a production-driven view to service driven. But it can be argued that companies should go even deeper than understanding the pull effect. Individuals as customers might not even always be actively aware of their needs in their stressful lives, or they might not have time or energy to start solving different issues, though they might recognise problems. This recognition follows the notifications of CDL (Heinonen *et al.*, 2010), which stress companies should get a better understanding of where a specific service could fit in the context of the customer's everyday life. For the companies, this means they should increase their understanding of different groups with similar needs, not necessarily try to offer tailor-made solutions for every individual, as the latter would not be cost efficient or necessary from the provider's perspective.

Furthermore, the managerial implications emphasise the importance of understanding the reasons behind a family's experienced service value based on past experiences and future expectations. As these experiences extend beyond the visible interactions and cover the invisible life of the customer unit, it is important for the service provider to understand better who the customer is; is it singular or plural, and what is the meaning of this? The previously used example in this thesis described how a family's earlier negative experiences regarding pension funds led to a negative decision when the bank offered funds for the children – when the family, in fact, had asked for savings possibilities. The managerial implication is that the service provider should try to answer the specific needs of a customer unit instead of offering something else that might be more interesting from the provider's view. At least the offer should include what has specifically been asked for, though other suggestions would be introduced. In practice, this could mean that when a customer visits the bank, she would not be asked to answer a questionnaire covering all her possible future needs; rather the focus would be on one or two issues that might be of interest for her or her family in the near future. Hence, the customer would feel that she was receiving offers relevant to her needs. It is better to focus on a few issues than try to cover all possible needs, as the customer may feel overwhelmed with offers that do not fit her life at the moment.

### *Functional dimension*

The functional dimension in this thesis describes the efficiency of the service process. The managerial implication is that service providers should identify how to enable individuals to integrate a service process into their lives in an efficient way. In practical terms, this means providers should strive for easy, flexible service. Findings establish that, at best, the available service is taken for granted when it contributes to solving everyday issues, like paying bills on the Internet. The managerial implications indicate individuals do not concentrate only on their needs, so it remains to be solved how a family forms a larger context, as a system with several needs. The service process needs to solve unexpected problems easily, like the child's lost bankcard in this study. In the empirical study, some of the respondents described how easy it was to get a new card at home in the mail. Others explained it was an extra task in the week, as it demanded both the mother and the child would pick it up at the bank. This study concludes that banks should strive to reduce complexity and should offer customers fast solutions to unexpected problems; a lost bankcard should be sent to the customer by mail if she so

desires. For some customers, picking up the card at a bank might be a faster solution; the customer should be the one to make the choice.

Another sign of desired efficiency is the wish to simultaneously solve issues that from the respondent's perspective are related. In the empirical part, one respondent wondered why a company that offered both banking and insurance services only treated her as an insurance customer, neglecting offers of banking service. The managerial implication is that a provider should discover latent needs an individual does not mention in a visible interaction, as she has too many things to concentrate on. This might easily become an opportunity for the service provider. The provider should recognise the situation the individual lives in and try to offer solutions to make her life easier. Says one of the respondents visiting the company for her insurance issues:

...They did not know that I am the kind of person who avoids risks and that easiness and saving time and having a peaceful mind are important for me. I think that these are important issues for all working mothers. (Person A)

Being able to serve the customer efficiently demands that the bank get some background information before meeting the customer. In practise, this would mean not only researching the customer's past behaviour but also anticipating future needs; for example, including in the survey the ages of children and their possible needs. Empirical evidence shows that banks should have a better understanding of the everyday actions and experiences of the whole customer unit.

Empirical evidence also shows that bank materials are too complicated in the context of recipients' everyday tasks and responsibilities. Focusing on one issue at a time would make bank offers less complex and easier to comprehend. Furthermore, it seems that the shorter the message, the easier it is to understand.

### *Temporal dimension*

The managerial implications regarding the temporal dimension are related to the importance of understanding the meaning of the right timing for a service in a customer's everyday life. For a service provider, this means it should identify when to offer assistance in joint value co-creation. The study emphasises that time is a limited resource in women's busy lives. Therefore, it is crucial for the provider to understand the importance of a delayed service offer becoming a missed opportunity. Conversely, an offer that comes too early does not get the desired attention of the customer.

The earlier mentioned example of offering a Visa Electron card for a family's teenager illustrates the importance of the topicality of the service for the whole family. In several cases, the family had been the one approaching the bank, whereas the bank had often had a passive role despite having information regarding the ages of the children. According to the respondents, it seems the discussions concerning a personal bankcard often start in the early teenage years, around age 13. The respondents explained that, if the card is offered in the right moment, it is a tempting solution for the whole family. In practical terms, this means for the parents, it is no longer necessary to carry cash with them for the often unexpected needs of the children. Instead, parents can insert money into the children's account by using the Web bank. This, again, makes life easier for all family members because the parents can meet the needs of the children even on shorter notice and the children do not get upset about their needs not being fulfilled on a desired timetable.

It is worth noting that if a service is offered too early, it can easily be neglected if the parents feel the children are uncertain about how to use a service like a bankcard. For the provider, this means identifying the right timing is crucial, as the family may not return to the offer later. If a bank is not actively following the ages of the children, it easily neglects to offer a service related to the everyday needs of the children, and the experienced value for the customer unit remains vague. Furthermore, if the bank has defined only the mother as the customer based on her contact with the bank, the experienced value of the family unit is neglected. If the bank recognises the different family members and understands how the different subsystems, i.e., mother-child, father-child, wife-husband, influence each other, the experienced value of the customer unit is most likely to increase.

This discussion illustrates how the bank, as a provider, should strive to understand better the everyday life of a family unit and try to frame itself as a part of it. This would enable the bank to offer the right kind of service with thought-through solutions to match the needs of the multiple dyads of the family.

Another recognition regarding timing is what happens in a customer unit when a child turns 18 and is no longer a minor. Among the respondents, there was a wish for an educational aspect regarding the future. A respondent expressed a wish for an input from the bank inviting the child to hear and learn about banking issues at the age of 18. This comment reveals parents care for their children who often keep living at the same household for some years after turning 18. Thus, the managerial implication is to recognise a family still exists as a customer unit. There seems to be different ways of approaching the issue. For example, some banks remove all the rights from the parents for the child's accounts immediately when the child turns 18, whereas others let the parents keep the rights if no changes are desired. If the bank makes changes overnight without any clear dialogue with the person having the original contact with the bank, it might cause troubles for the family when the parents no longer can assist in unexpected issues as in a case of a lost card.

It is worth noting that banks, among other instances like insurance companies, need to follow government regulations regarding certain requirements and restrictions. But there could be opportunities in these situations as well. For example, if the bank sees the family as a customer unit, it may inform both the parents and the child who is reaching a legal age about the future changes and possibilities. Inviting the child to the bank with a parent to discuss issues like student loans or housing loans for the first apartment might give an opportunity for a new loyal customer from the same family. This kind of approach was also suggested by one of the respondents in the empirical study.

Flexibility regarding when to perform bank-related issues was stressed in the empirical study. For example, one of the respondents explained she would like to reach the bank by mobile phone when driving home after office hours in the evening. Another respondent mentioned she would like to receive a text message whenever she has a bill to pay on the Web bank, instead of checking the situation every now and then herself. Although all these extra efforts might seem minor problems from the provider's perspective, for the individuals, they mean an extra task to be planned and solved in a daily life full of responsibilities. It seems the working mothers under scrutiny in this study live under conscious time pressure and get annoyed about delays or inflexibility, and adjustments in current service regarding the temporal dimension could give the provider a competitive edge.

### *Spatial dimension*

The managerial implications contribute to the earlier findings in service research regarding how customers seek convenience in their banking activities through the spatial dimension (Heinonen, 2004). The empirical findings of this study demonstrate a bank branch as a place can be considered convenient or inconvenient depending on how smoothly things run. Interestingly, it seems physical appearance, like the interior of the bank branch, does not seem to play a significant role. More important is the feeling of flexibility leading to convenience. This advances the question if a bank should focus on the convenience of customers visiting it than interior design, for example. As one the respondents put it:

I have come to the conclusion that it does not matter whether the bank branch is big or small, modern or not, since the waiting times are always anyhow equally long. ...  
(Person L)

Toward the end of my research process, I made an observation at a bank that supports the comment above. While visiting my own bank and waiting my turn to be served, I paid attention to the new interior design. I noticed there were no chairs available at the service desks any longer. Interestingly, a person next to me started to discuss this issue and explained how she had visited another branch of the same bank a week before with her elderly mother. The changes in the interior design had been the same, and she was very upset about how difficult it had been for an older person to stand at the desk with no place to sit or lay her belongings. She added this was a sign from the bank saying they do not want people to enter the bank. This demonstrates for managers the importance of experienced convenience from the individual's perspective. Regarding the spatial dimension, the interior design should always follow the principle of form and function – a nice-looking design should always follow customer needs. If the bank needs to explain why some changes are made – for example, why interior design has been changed – it can be questioned whether the changes have started from the customers' or the bank's needs.

Another interesting managerial implication regarding place is how providers should identify natural places or situations where social networks converge. Although today's technology allows many possibilities for virtual communities, there is room and desire for personal, face-to-face meetings as well. One of the respondents mentions how banks should utilise a "Tupperware philosophy" by entering places where persons with similar interests meet. Managerially, this shows providers could stretch their thinking outside the box, as according to the study, a bank is often experienced as a place where the respondents prefer to go seldom as possible. In the future, this might be even more challenging, as the respondents also mentioned how their children are not used to visiting banks like their parents. These findings contribute to earlier managerial implications within service research concerning customer-to-customer networks. In her study, Helkkula (2010) also indicated individuals relate to the service provider's network and different networks that act as forums for sharing service experiences. For banks, this could mean opportunities to join groups or invite friends with similar interests to discuss, for example, saving possibilities for children.

### *Personal dimension*

The managerial implications of the personal dimension indicate the importance of the experienced personal service of a bank. It seems that, despite the increasing demand for technological development to decrease personal costs, there still is the need for human contacts in bank relations. From a managerial perspective, this is a challenge as

there is continuous pressure to cut costs to reach better profitability. On the other hand, there is also a possibility for competitive advantage if the human resources are managed in an efficient way that profits all parties.

As the results indicate, trustworthiness of the banking advisor is highly appreciated by the respondents. Managerially, it is interesting to note that, though the respondents often talked about a specific person taking care of their issues, they also accept changes in the contact persons if the change is done in a professional way, giving the feeling this will not bring any trouble. The respondents even described these changes as positive experiences if they had felt the previous banking advisor had carefully briefed the one regarding the family's issues.

Furthermore, managerially, it is important to note comments regarding a bank's way of treating an individual are often associated with a banking advisor's behaviour. If positive comments were used to describe a continuous relationship, negative ones can in worst cases lead to a change of banks. The comments that were related to one's own needs indicate how individuals want the bank to understand their situation instead of having a provider-driven logic of service. The study shows how respondents are sensitive about the way they are treated, as this comment well describes:

... I had enough of this person immediately when she was just pushing with the MasterCard all the time when I was discussing a house loan... (Person L)

Moreover, the discussion whether the bank is adding value for the customer is worth noting, like the following example indicates how a bank might have different goals than the customers:

... It was obviously written in their instructions that the card should now be marketed to customers. ... (Person L)

This advances the question of how a provider defines its goals and how they are internally communicated to the employees. Measuring performance in specific terms, such as defining and evaluating sales targets for a specific service or product, will guide personnel in customer-firm interactions toward certain goals pre-determined by the provider. If employees were considered more as interpreters of the customer-firm relationship and allowed certain flexibility, it would increase understanding of the needs and interests of a customer unit. More specifically, an employee should be able to listen to a customer when meeting face-to-face and recognise the customer's latent needs. A shift toward CDL means a change in a company's marketing and sales business strategy, offering the firm a competitive advantage based on flexibility.

As the respondents of the study indicated, their children belong to a new generation that is not used to going to a physical bank branch but are using technical solutions offered by different providers. But it seems the role of an advisor for the children's needs is still appreciated to make the future choices easier. As the respondents indicated, there is a wish for the family to be treated as one unit regardless of the ages of the children. Managerially, this offers an opportunity to provide continuity in the bank relationship from parents to children. An acknowledged advisor can easily gain continuity within the family if, for example, she invites a child to the bank with parents to give relevant guidance on issue in the child's near future, such as student loans.

Moreover, the personal dimension is related to familiarity, as the respondents indicated they prefer to have a contact that knows their background so they do not need to start from scratch every time they are in contact with the bank. The idea of not having the



same person as a regular contact was mainly rejected if the respondents felt dealing with different persons would mean unnecessary complexity. Managerially, this means if the complexity could be tackled, for example, with innovative technological solutions providing detailed background information on the screen when an individual calls the bank, it might bring efficiency for the bank also. In other words, several persons at the bank could answer the needs of the same person in a flexible and fast way, and both parties would benefit.

### **6.3.1. Conclusions**

To sum up the managerial implications, in line with customer dominant logic (CDL) and interpretivism, the findings of this thesis encourage a better understanding of the customer unit's experiences, as they provide new insight for service providers. Although today's advanced technology allows consumers more freedom of choices, banks as providers should be better aware of the desires of individuals. The interpretation of this should not be that every individual should have a complex, tailor-made solution. Rather, it means the banks ought to recognise the different needs of segments that often share similar roles and responsibilities in their specific life situations.

Accordingly, a bank should not focus on presenting overwhelming information at the bank's premises in face-to-face meetings. In contradiction, the bank should be able to assist the customer in her current need – either based on the individual or collective needs of the family – and simultaneously consider what might be the next way to assist to bring continuity to the relationship. Importantly, a bank should keep in mind the life of a customer unit is full of activities and experiences related to many other things than banking issues. For example, as the respondents of the empirical study indicated, if they are given a lot of new printed information when they leave the bank, there is a risk they may never return. Therefore, it can be argued a bank as a service provider would need to reconsider ways to assist the customers in their hectic everyday life instead of presenting solutions for all possible needs.

This demands good communication skills from both full-time and part-time marketers. Importantly, it demands changes in service marketing skills, as it demands increased understanding of the different entities of co-creation in both visible and invisible interactions. Furthermore, there is a need for the service providers to understand how the different entities of co-creation are often embedded in a dynamic service process. Service providers should recognise how the different value dimensions are in fact intertwined, and they should all be paid attention when investigating experienced service value of a customer unit. Therefore, marketing is not about offering a teenager a bankcard with a tempting picture – it is about understanding the everyday, experienced service value the card brings the whole family.

### **6.4. Suggestions for future research**

This section suggests ideas for future research relating both to the theoretical and empirical areas.

#### *Widening the target group*

This thesis presents a categorisation model for investigating different entities of service value co-creation. The focus was on investigating how a family as customer experiences co-created service value. The empirical study was conducted by investigating banking

service through the interpretation of the mothers. For future research, it could be possible to include other family members in the study, and thus enlarge the understanding of experienced service value of the family through several respondents. For example, understanding experienced service value of teenage children related to banking service might bring new, valuable knowledge for future service research. In this study, the aspect of teaching banking-related issues to children was recognised to be one of the subcategories within collectively experienced service value. It would be interesting to explore what the subcategories would be from the teenagers' perspective. Similarly, including the interviews of spouses could bring new information regarding the individually and collectively experienced service value of a family. Adding fathers would be interesting within banking service, as the norm seems to be fathers taking care of monetary issues in a family. When exploring this issue in a CDL context, it is more about widening the understanding of the different everyday challenges and tasks of family members. Thus, widening the understanding of the different roles of family members when investigating experienced service value would be interesting for future research.

#### *Longitudinal aspect*

This study included interviews that were conducted once for each respondent. A longitudinal study following how the children experience service value when living in their own household would bring an interesting insight regarding the continuity of banking service within a family. Furthermore, it would be interesting to investigate if there is continuity in the identified five main categories – suitability, efficiency, topicality, convenience, and trustworthiness.

#### *Enlarging the unit*

This study focused on family members forming a customer unit. For future research, it would be interesting to enlarge the investigation of a family as a customer unit to cover a larger customer ecosystem where other persons have an impact on the experienced service value of the family. The ecosystem under examination could include, for example, friends, relatives, or different communities. Following CDL, the focus is on exploring the position and roles of the customer in the customer's ecosystem. By widening the understanding of the customer's logic, a service provider could plan its service strategy to better meet the customer's everyday needs and expectations within the ecosystem.

#### *Investigating other customer units*

This study indicated how continuous, longitudinal co-creation between the family members has an effect on the experienced collective value of the family. It would be interesting to explore collectively and individually experienced service value through co-creation within a group of people gathered temporarily, for example, friends on a weekend trip. The identification of main and subcategories would give valuable information for different providers planning service experiences for different types of customer units.

### *Applicability in different industries*

This thesis discussed different entities of co-creation within a banking service context. It would be interesting to test the applicability of the study within different industries. For example, telecommunication operators often have a similar traditional structure to approach the family through the person who has signed the customer contract with the operator. Future research could explore how the identified categories of this study are applicable for services with similar structure with banking, such as mobile operators, or if new categories can be identified. Also other industries focusing on customer service, like retail, would be an interesting area to widen the understanding of a family as a customer unit experiencing value. This could bring new knowledge by going beyond the investigation of a purchasing process of a family. Another interesting sector would be health-care in which investigation of service value co-creation within the customer's family could bring new information for the service provider. Furthermore, a comparison between different industries could bring information if the five value dimensions differ in importance in different types of service.

### *Adding a provider view*

This study investigated different entities of value co-creation experienced by the customer. Adding the provider's experiences would increase understanding on capturing mutual benefits through value co-creation. Furthermore, this study discussed an actor-to-actors view when the provider was seen in singular and the customer in plural. It would be interesting to enlarge the investigation to cover the actors-to-actors view in b-to-c service marketing and examine the roles of different persons at the provider's side.

### *Implications for customers*

This thesis adapts CDL perspective to gain knowledge about how service providers could enlarge their understanding of how customers experience service value. In addition, the findings of this study could also be used to enhance a family's understanding of how to co-create value collectively. Hence, a family's willingness to discuss internally such issues as student loans, mortgage loans and loan margins would increase value for the customer unit.

### *Increasing the number of empirical studies*

Finally, more empirical research is needed to test the three so-far mainly conceptual logics, SDL, SL, and CDL within service marketing. This study applied CDL when investigating the everyday life of a family interpreted through the mother. CDL offers new possibilities in increasing the understanding of the life of the customer. To create new knowledge regarding customer's experienced service value, it would be important to increase the number of empirical studies in several places in which researches can take part in their own language.

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## **APPENDIX 1 INTERVIEW GUIDE**

The respondents were recruited directly by the researcher either in a face-to-face contact during normal daily routines, for example when bringing a child to school or hobby, or by telephone or email. During the recruit phase the respondents were giving brief information regarding the empirical study. It was explained that the study was part of a PhD exploring how working mothers live their daily lives, and in addition the interest would be in their experiences with banks. No preparations would be necessary from the interviewee's side.

### **An interview guide for an informal, semi-structured discussion**

#### **1. Background information of the respondent**

- Age
- Marital status
- Ages of the children living in the same household
- Education / profession

#### **2. Describing the everyday life**

- Would you like to describe your everyday life; what does your normal week look like (concerning for example your work, family, hobbies, or other issues) ?
- What things are important for you?
- How would you describe yourself as a customer (for example as demanding, easy, busy, something else)?
- What is important for you regarding services (for example easiness, price, flexibility, something else)?

#### **3. Banking service**

- Would you like to describe your banking services that you use or have used and your opinions related to them?
- What kind of services do you find interesting now or maybe in the future?
- How do you take care of your banking services, and how would you possibly like to take care of them (for example by email, Internet, phone, visit)?
  - What is the importance of a personal banking advisor to you?
- Is there anything you would like to change, and if so, why?

## APPENDIX 2 TECHNICAL DIMENSION –individually experienced service value

	Individually experienced service value				
	Technical Offer	Functional	Temporal	Spatial	Personal
Descriptions for illustrating technical dimension	<i>Descriptions of Suitable</i>				
	- Receiving right kind of offers (M) (K) (F)	x	x	x	x
	- Satisfactory endresult for individual needs: (L) (G)	x x			
	- Easy to choose from - Receiving thought-through solutions for one's specific needs (A)		x		
	<i>Descriptions of Unsuitable</i>				
	- If the bank is too pushy, it's annoying (F)				
	- Offers are not interesting from the individual's point of view (E)				
	- Bank is not taking any initiative (H)				

The descriptions in the table illustrate how the main focus of the respondents' quotes during the discussions was on the technical dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

### APPENDIX 3 FUNCTIONAL DIMENSION – individually experienced service value

	Individually experienced service value				
	Technical	<b>Functional Efficiency</b>	Temporal	Spatial	Personal
Descriptions for illustrating functional dimension		<i>Descriptions of Efficient</i>  - Making daily routines easy (I, F, B)  - Getting help in unexpected problems (G) (H)  - Solving several issues simultaneously (B)			
		<i>Descriptions of Non-efficient</i>  - Receiving information in an undesired format (B)			
	x	- Receiving too complicated or uninterested messages to go through (D) (A)	x		
	x	- Bank is not taking an active role during a meeting (A)			x

The descriptions in the table illustrate how the main focus of the respondents quotes during the discussions was on the functional dimension. In case other dimensions were simultaneously recognised to be intertwined in the situation, they are marked with an X.



#### APPENDIX 4 TEMPORAL DIMENSION – individually experienced service value

	Individually experienced service value				
	Technical	Functional	<b>Temporal Topicality</b>	Spatial	Personal
Descriptions for illustrating temporal dimension			<i>Descriptions of Topical</i>  - Right timing and topicality in one's life (A,C) (M) (G) (F)  - Flexibility to choose a suitable time for desired service (A)		
		x x	<i>Descriptions of Non-topical</i>  - Wrong kind of offers for one's situation (C) - Wrong timing; bank is too late (L, I)		x x

The descriptions in the table illustrate how the main focus of the respondents quotes during the discussions was on the temporal dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

## APPENDIX 5 SPATIAL DIMENSION – individually experienced service value

Descriptions for illustrating spatial dimension	Individually experienced service value				
	Technical	Functional	Temporal	<b>Spatial Convenience</b>	Personal
				<i>Descriptions of Convenient</i>	
			x	- Visiting the bank only seldom (C,I,G) -Feeling of intimacy and fast service (G) (M) (K)	x
		x		-Visting in importang issues is acceptable (H) (F)	x
		x		- Brief visits desired (A) (C )	x
				<i>Descriptions of Inconvenient</i>	
			x	- Long waiting times at the bank (L,G) -Unintimacy (G) - Bank has limited aspect on where to meet customers	

The descriptions in the table illustrate how the main focus of the respodents quotes during the discussions was on the spatial dimension. In case other dimensions were recognised to be simultaneoulsy intertwined, they were marked with an X.

## APPENDIX 6 PERSONAL DIMENSION – individually experienced service value

Descriptions for illustrating personal dimension	Individually experienced service value				
	Technical	Functional	Temporal	Spatial	<b>Personal Trustworthiness</b>
Descriptions for illustrating personal dimension			x		<i>Descriptions of Trustworthy</i>  -Acknowledged advisor (J) - Knows one's background (C) (B,A,G,D,L,E) - Knows one personally (G,C,I) -Continuous relationship(M) -Established friendship(K) -Fast and flexible service (F)
		x	x		<i>Descriptions of Untrustworthy</i>  - Complicated to reach the banking person (C) - Irritating personality (F,L) -Impersonal and negative service (M) -Unclearness of the existence of a personal advisor (H)
		x			

The descriptions in the table illustrate how the main focus of the respondents quotes during the discussions was on the personal dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

### Descriptions for illustrating technical dimension

The descriptions in the table illustrate how the main focus of the respondents' quotes during the discussions was on the technical dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

## APPENDIX 8 FUNCTIONAL DIMENSION – collectively experienced service value

	Collectively experienced service value				
	Technical	<b>Functional Efficiency</b>	Temporal	Spatial	Personal
Descriptions for illustrating functional dimension		<i>Descriptions of Efficient</i>			
		<p>Follow-up of family's accounts on the web (D)</p> <p>Things running smoothly (G)</p> <p>-Efficient way to solve problems (J)</p> <p><i>Descriptions of Inefficient</i></p> <p>- Complex processes (K)</p>			

The descriptions in the table illustrate how the main focus of the respondents quotes during the discussions was on the functional dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

## APPENDIX 9 TEMPORAL DIMENSION – collectively experienced service value

	Collectively experienced service value				
	Technical	Functional	<b>Temporal</b> <i>Topicality</i>	Spatial	Personal
Descriptions for illustrating temporal dimension			<i>Descriptions of Topical</i>  - Right timing regarding the ages of the children  (A,G,D,L,C,M,F) - Educational aspect (J) (I) (N)		
		x x	<i>Descriptions of Non-topical</i>  - Neglecting the ages of the children (=wrong timing regarding the ages, i.e. opposite to above)	x	

The descriptions in the table illustrate how the main focus of the respondents' quotes during the discussions was on the temporal dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

# **APPENDIX 10 SPATIAL DIMENSION – collectively experienced service value**

Descriptions for illustrating spatial dimension	Collectively experienced service value				
	Technical	Functional	Temporal	<b>Spatial Convenience</b>	Personal
				<i>Descriptions of Convenient</i> - Effective and flexible service (A)  - Easy to solve issues on the spot (J) - Child-friendliness (M)  <i>Descriptions of Inconvenient</i>  - Bank is not child-friendly, difficult to visit with small children (B)  - Demand for every family member to be present simultaneously at the bank (K)	

The descriptions in the table illustrate how the main focus of the respondents' quotes during the discussions was on the spatial dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.

**Appendix 11 PERSONAL DIMENSION – collectively experienced service value**

Descriptions for illustrating personal dimension	Collectively experienced service value				
	Technical	Functional	Temporal	Spatial	<b>Personal Trustworthiness</b>
		x			<i>Descriptions of Trustworthy</i> -Trusted relationship (J) (L) - Bank knows the family's background (G) - Positive manner of the advisor (A)
		x			
		x			
			x		<i>Descriptions of Untrustworthy</i> - Bank is passive in the relationship (H)

The descriptions in the table illustrate how the main focus of the respondents' quotes during the discussions was on the personal dimension. In case other dimensions were recognised to be simultaneously intertwined, they were marked with an X.



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